

POSITION REPORT



Annual Financial Report 2019

SEEING IS DECIDING

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TO CREATE FUTURE SUCCESS.

Group Management Report of FACC AG for the short financial year 2019

- The growth of the global economy slowed down to 2.9%, after 3.6% in the previous year.
- Passenger volumes in air traffic continue to grow as planned.
- Airbus and Boeing delivered 1,243 aircraft with 681 firm orders for new aircraft booked in the same period.
- The order backlog for aircraft with more than 100 seats remained high at 12,913.

1. BUSINESS ENVIRONMENT

The global economy is experiencing a slowdown in growth. According to estimates of the International Monetary Fund (IMF), global economic output rose by 2.9% after an increase of 3.6% in 2018, while growth in industrialized countries slightly decreased to 1.7% following a stronger performance in the previous year (previous year: 2.2%). In the emerging and developing countries, economic growth remained high at 3.7% (previous year: 4.5%). According to the IMF, the world's two largest economies, the USA and China, each recorded an increase in economic growth in 2019, with the United States currently undergoing a robust economic recovery. In 2019, the US economy grew by 2.3% (previous year: 2.9%).

China and India, whose economies continued to grow unabated, were the main drivers of global economic growth. The countries grew by 6.1% and 4.8%, respectively (previous year: 6.6% and 6.8%, respectively) as shown by economic data.

The eurozone economy, in contrast, experienced slightly weaker growth in 2019: After years of continuous recovery, albeit at a low level, growth in Europe once again significantly decreased to 1.2% compared to 1.9% in the previous year.

Despite the overall improvement of the economic climate, risks such as rising protectionism in world trade still pose a threat according to IMF forecasts. The issue of whether Britain and the EU will come to an agreement on the continuation of free trade also remains to be resolved. The exit of the United Kingdom from the European Union will have a significant impact on London as a financial center and will cause a great deal of uncertainty for the British economy as well as for the European economy in certain areas. According to current forecasts, the risks of geopolitical conflicts also remain high.

2. INDUSTRY ENVIRONMENT

Airlines recently continued their positive earnings trend, which was driven in part by strong demand as well as successful efficiency improvements and consolidations. The relatively low price of oil, which is a major component of airlines' operating costs, also contributed to this positive development.

The International Air Transport Association (IATA) reported an increase of 4.5% in global passenger volumes in 2019, with demand increases varying by region. With growth rates of 18.6% in India, 11.7% in China and 9.0% in Russia, Asia can be considered the largest growth driver. Confronted with increasing passenger volumes, the airlines decided to expand their fleets. IATA calculated industry-wide profits of USD 25.9 billion for 2019, which therefore proved to be a successful year for the airlines in spite of a slightly lower result compared to the previous year.

In 2019, Airbus and Boeing delivered a total of 1,243 aircraft. During the same period, airlines placed orders for 681 aircraft with Airbus and Boeing. The order backlog for aircraft with more than 100 seats remained virtually unchanged at 12,913 aircraft.

The decline relative to the previous year is mainly due to the temporary grounding of the Boeing 737 MAX.

3. GENERAL INFORMATION

3.1 Information according to section 243 of the Austrian Commercial Code (UGB)

The FACC Group based in Ried im Innkreis is an Austrian group of companies which specializes in the development, production and maintenance of aircraft components.

The product range includes structural components (wing-to-body fairings, fan cowls and composite components for engines, wing parts and wingtips) as well as components for aircraft interiors (overhead stowage compartments, cabin linings, service units, interior solutions for business jets, cabin retrofit solutions etc.).

Due to different applications of the products, three operative segments were created. The Aerostructures segment is responsible for the development, production, distribution and repair of structural components, while the Cabin Interiors segment focuses on the development, production, distribution and repair of interior solutions and the Engines & Nacelles segment covers the production,

distribution and repair of fan cowls. After customer contracts have been concluded and the orders processed, the individual orders are then manufactured in the Group's five plants. In addition to the three operative segments, the Group also comprises the central services Finance and Controlling, Human Resources, Legal, Quality Assurance, Purchasing and IT (including Engineering Services). The central services support the operative segments in fulfilling their duties within the framework of a matrix organization.

3.2 Initial application of the International Financial Reporting Standard IFRS 16:

With effect from 1 March 2019, the FACC Group adopted IFRS 16 Leases, which has resulted in changes to the accounting and valuation principles. For the adoption of IFRS 16, the FACC Group applied the modified retrospective method.

3.3 Change of the financial year to the calendar year:

At the 5th Annual General Meeting held on 9 July 2019, a resolution was passed to change the financial year to the calendar year. 2019 is therefore a short financial year ending on 31 December 2019 (1 March 2019 - 31 December 2019). The financial year of the FACC Group has thus been adjusted to the reporting date of the Aviation Industry Corporation of China. The figures for the short financial year can only be compared with the previous year to a limited extent.

4. DEVELOPMENT OF THE FACC GROUP

| | 2017/18 in EUR million | 2018/19 in EUR million | SFY 2019 in EUR million |
|---|---------------------------|---------------------------|----------------------------|
| Revenues | 747.6 | 781.6 | 665.0 |
| One-time effects | 5.7 | 0.0 | 0.0 |
| Of which product revenues | 691.0 | 700.1 | 592.4 |
| Of which revenues from development services | 56.6 | 81.5 | 72.6 |
| EBIT (reported) | 60.1 | 43.6 | 34.6 |
| One-time effects | 15.2 | -11.4 | 0.0 |
| EBIT (operating) | 44.9 | 55.0 | 34.6 |
| EBIT margin (operating) | 6.0% | 7.0% | 5.2% |
| Earnings after taxes | 37.0 | 30.3 | 21.1 |
| Earnings per share (in EUR) | 0.81 | 0.66 | 0.46 |

In the short financial year 2019, the FACC Group generated revenues of EUR 665.0 million, which represent a decrease of EUR 116.5 million, or 14.9%, compared to the previous year. The figures for the short financial year can only be compared with the previous year to a limited extent.

Revenues from product deliveries decreased by 15.4% to EUR 592.4 million. The main drivers of product sales in the 2019 short financial year were the programs for the Airbus A320 family, Airbus A350 XWB, Airbus A330Neo, Boeing 787 as well as the Bombardier and Embraer Business Jets. All other programs, including all components for the equipment of Rolls-Royce and Pratt & Whitney engines, developed in line with FACC management plans and contributed to the Group's growth.

The stable production rates for the major aircraft programs of the customers Airbus, Boeing, Bombardier, Embraer and Comac along with the ongoing transition from development projects to series production ensured further growth in relative terms.

Revenues from the offsetting of development work amounted to EUR 72.6 million (previous year: EUR 81.5 million).

The cost of goods sold fell by EUR 102.9 million from EUR 701.2 million to EUR 598.3 million in the short financial year 2019. This decline is attributable to the shorter financial year. The ratio of this figure to revenues remained constant at 90%.

Reported earnings before interest and taxes (EBIT) amounted to EUR 34.6 million in the short financial year under review (previous year: EUR 43.6 million).

4.1 Financial position

The main objective of FACC's financial management is to ensure that the Group has access to adequate liquidity at all times, to avoid financial risks and to guarantee financial flexibility. In order to secure the company's liquidity and reduce risks, FACC makes use of various internal and external funding sources with differing maturities. Long-term liquidity forecasts are based on the Group's operational planning. The cash flow from operating activities in the operating segments constitutes the Group's main source of liquidity. This reduces external borrowing requirements and the associated interest expenses. FACC also makes use of a variety of funding instruments,

such as corporate bonds, promissory note loans, loan agreements with banks and lease arrangements, to assure its liquidity.

Financing instruments

The banking policy, procedures for the approval of banking relationships, loan agreements, liquidity and financial asset management and the management of currency and interest rate risks are set down in FACC's treasury principles. It is a basic principle of the Group that its lines of credit are managed at the corporate level by the Treasury department.

For information on the company's capacity to raise funds through authorized and conditional capital and on funding sources, please refer to Note 33. Through these diverse measures, FACC has created a stable and sustainable basis to meet its future funding requirements.

4.1.1. Liquidity analysis

One of FACC's key performance indicators is free cash flow, which the company determines by combining its cash flow from operating activities with its cash flow from investing activities.

| | 2017/18 in EUR million | 2018/19 in EUR million | SFY 2019 in EUR million |
|---|---------------------------|---------------------------|----------------------------|
| Cash flow from operating activities | 63.1 | 63.3 | 47.7 |
| Cash flow from investing activities | -35.1 | -35.7 | -17.9 |
| Free cash flow | 28.0 | 27.6 | 29.8 |
| Cash flow from financing activities | -12.9 | -0.8 | -43.6 |
| Net change in cash and cash equivalents | 15.0 | 26.8 | -13.8 |
| Effects from foreign exchange rates | 0.2 | -0.2 | -0.5 |
| Cash and cash equivalents at the beginning of the period | 48.3 | 63.5 | 90.1 |
| Cash and cash equivalents at the end of the period | 63.5 | 90.1 | 75.8 |

Cash flow from operating activities

At EUR 47.7 million, cash flow from operating activities in the 2019 reporting year was EUR 15.6 million lower than the previous year's figure of EUR 63.3 million.

Cash flow from investing activities

Cash flow from investing activities amounted to EUR -17.9 million in the 2019 reporting year, compared with EUR -35.7 million in the previous year.

The main cost drivers of project investments were development and tooling costs for various aircraft types such as the A320 Entrance Area project as well as investments in various tool duplications to secure future production rates.

Investments in property, plant and equipment were mainly made in connection with the expansion of production capacities at Plant 3 at the Austrian location in St. Martin.

In the course of the financial year, new investments were made, in particular, in equipment to expand production capacities and in additional automation measures, in the optimization of existing production facilities and in infrastructure. In addition, maintenance investments were made on an ongoing basis.

Cash flow from financing activities

In the 2019 reporting year, the cash flow from financing activities stood at EUR -43.6 million (previous year: EUR -0.8 million).

4.1.2. Net debt

On 31 December 2019, net debt amounted to EUR 213.2 million (previous year: EUR 180.9 million). The increase is mainly due to the adoption of IFRS 16. On the balance sheet date, the Group's cash amounted to EUR 75.8 million (previous year: EUR 90.1 million).

| | 28.02.2018 in EUR million | 28.02.2019 in EUR million | 31.12.2019 in EUR million |
|------------------------------------|------------------------------|------------------------------|------------------------------|
| Promissory note loans | 34.0 | 34.0 | 70.0 |
| Bonds 2013-20 (ISIN AT00000A10J83) | 89.6 | 89.8 | 89.9 |
| Other financial liabilities | 121.9 | 147.2 | 129.1 |
| Gross financial liabilities | 245.5 | 271.0 | 289.0 |
| Less | | | |
| Cash and cash equivalents | 63.5 | 90.1 | 75.8 |
| Financial assets | 63.5 | 90.1 | 75.8 |
| Net debt | 182.0 | 180.9 | 213.2 |

The key ratio net debt/EBITDA, which is material to financing, developed as follows:

| | 28.02.2018 in EUR million | 28.02.2019 in EUR million | 31.12.2019 in EUR million |
|--|------------------------------|------------------------------|------------------------------|
| Earnings before interest and taxes (EBIT) | 60.1 | 43.6 | 34.6 |
| Plus/minus | | | |
| Depreciation, amortization and impairment | 32.9 | 15.8 | 18.8 |
| Amortization contract costs | | 8.0 | 6.3 |
| Impairment contract costs | | 7.3 | 0.0 |
| EBITDA | 93 | 74.8 | 59.7 |
| Net debt/EBITDA | 1.96 | 2.42 | 2.97 ¹⁾ |

¹⁾ The value is based on an extrapolation over 12 months.

4.2 Net asset position

The balance sheet total increased by EUR 13.6 million to EUR 739.4 million compared to the previous year.

| | 28.02.2018 in EUR million | 28.02.2019 in EUR million | 31.12.2019 in EUR million |
|-------------------------|------------------------------|------------------------------|------------------------------|
| Non-current assets | 344.7 | 324.9 | 378.4 |
| Current assets | 358.8 | 400.9 | 361.0 |
| Assets | 703.5 | 725.8 | 739.4 |
| Equity | 323.1 | 299.0 | 316.1 |
| Non-current liabilities | 211.1 | 185.7 | 186.3 |
| Current liabilities | 169.4 | 241.1 | 237.0 |
| Debt | 380.5 | 426.8 | 423.3 |
| Equity and liabilities | 703.6 | 725.8 | 739.4 |

4.2.1. Assets

Non-current assets of the FACC Group increased by EUR 53.5 million to EUR 378.4 million compared to the balance sheet date on 31 December 2019.

Current assets decreased by EUR 39.8 million compared to the same period of the previous year. Cash and cash equivalents decreased by EUR 14.3 million to EUR 75.8 million as of the balance sheet date on 31 December 2019.

4.2.2. Equity

The FACC Group's equity amounted to EUR 316.1 million at the end of the reporting period. This corresponds to an equity ratio of 42.8% as of 31 December 2019 (previous year: 41.2%).

4.2.3. Debt

Within non-current liabilities, other financial liabilities decreased by EUR 34.4 million to EUR 43.8 million.

Within current liabilities, trade payables increased by EUR 8.6 million to EUR 83.5 million. Other financial liabilities decreased by EUR 43.0 million to EUR 26.0 million.

5. DEVELOPMENT OF THE BUSINESS SEGMENTS

Segment reporting follows the internal management and reporting of the FACC Group.

The operating result (EBIT) is the key performance indicator used to steer the business segments and is reported to the corporate body responsible (Management Board of FACC AG). Due to different applications of the products, three operative segments were created:

- **Aerostructures:** development, production, distribution and repair of structural components
- **Engines & Nacelles:** development, production, distribution and repair of engine components
- **Cabin Interiors:** development, production, distribution and repair of interiors

In the 2019 short financial year, numerous new contracts were signed to ensure the sustainable implementation of the FACC strategy. Implementation of these projects began in the course of the 2019 short financial year. Revenues from these orders will also contribute to the further growth of the business segments.

5.1 Aerostructures

| | 2017/18 in EUR mill. | 2018/19 in EUR mill. | SFY 2019 in EUR mill. |
|---------------------------------------|-------------------------|-------------------------|--------------------------|
| Revenues | 332.8 | 335.7 | 243.5 |
| EBIT (reported) | 35.9 | 37.6 | 31.3 |
| EBIT margin (reported) | 10.8% | 11.2% | 12.8% |
| One-time effects | -1.6 | -8.3 | 0.0 |
| EBIT (before one-time effects) | 37.5 | 45.9 | 31.3 |
| EBIT margin (before one-time effects) | 11.3% | 13.7% | 12.8% |

Revenues in the Aerostructures segment amounted to EUR 243.5 million in the 2019 short financial year (previous year: EUR 335.7 million). Revenues from product deliveries decreased by EUR 67.0 million, or 24.0%, to EUR 212.4 million. Growth in the segment continues to be driven by rising revenues from the Airbus A350 and A320 programs.

Revenues from development activities declined by 44.8% from EUR 56.3 million to EUR 31.1 million in the period under review.

Earnings before interest and taxes (EBIT) in the Aerostructures segment stood at EUR 31.3 million in the 2019 short financial year (previous year: EUR 45.9 million).

New orders, which are currently in the series ramp-up phase, could not compensate for the loss of sales arising from the B737NG and A380 programs.

5.2 Engines & Nacelles

| | 2017/18 in EUR mill. | 2018/19 in EUR mill. | SFY 2019 in EUR mill. |
|---------------------------------------|-------------------------|-------------------------|--------------------------|
| Revenues | 161.4 | 168.5 | 152.4 |
| EBIT (reported) | 15.9 | 9.5 | 6.0 |
| EBIT margin (reported) | 9.9% | 5.6% | 3.9% |
| One-time effects | 13.1 | -1.2 | 0.0 |
| EBIT (before one-time effects) | 2.8 | 10.7 | 6.0 |
| EBIT margin (before one-time effects) | 1.7% | 6.4% | 3.9% |

Revenues in the Engines & Nacelles segment reached EUR 152.4 million in the 2019 short financial year (previous year: EUR 168.5 million). This corresponds to a decrease of 9.6%.

Revenues from product deliveries decreased by 11.4% from EUR 161.1 million to EUR 142.7 million. Revenues from development activities increased by EUR 2.3 million from EUR 7.4 million to EUR 9.7 million.

Earnings before interest and taxes (EBIT) in the Engines & Nacelles segment stood at EUR 6.0 million in the 2019 short financial year (previous year: EUR 9.5 million).

The Engine Composites division continued its positive development. The Airbus A350 Trent XWB and Pratt & Whitney PW800 Bypass Ducts projects have made a significant contribution towards business developing as planned.

5.3 Cabin Interiors

| | 2017/18 in EUR mill. | 2018/19 in EUR mill. | SFY 2019 in EUR mill. |
|---------------------------------------|-------------------------|-------------------------|--------------------------|
| Revenues | 253.4 | 277.4 | 269.2 |
| EBIT (reported) | 8.3 | -3.5 | -2.6 |
| EBIT margin (reported) | 3.3% | -1.3% | -1.0% |
| One-time effects | 3.6 | -2.0 | 0.0 |
| EBIT (before one-time effects) | 4.7 | -1.5 | -2.6 |
| EBIT margin (before one-time effects) | 1.9% | -0.5% | -1.0% |

Revenues in the Cabin Interiors segment amounted to EUR 269.2 million in the 2019 short financial year (previous year: EUR 277.4 million). Thus the segment was able to keep revenues almost constant despite the short financial year.

Revenues from product deliveries in 2019 totaled EUR 237.3 million (previous year: EUR 259.6 million). Significant revenues were achieved with the COMAC programs. Revenues from these programs increased from EUR 21.3 million to EUR 24.8 million despite the short financial year. In the Business Jet division, substantial revenues were generated with the programs for the EMBRAER Legacy 450/500.

Revenues from development activities increased by EUR 14.1 million from EUR 17.8 million to EUR 31.9 million.

Reported earnings before interest and taxes (EBIT) of the Cabin Interiors segment stood at EUR -2.6 million in the 2019 short financial year (previous year: EUR -3.5 million).

6. RISK REPORT

In the course of its business activities, the FACC Group is exposed to a large number of risks that are inseparably linked to its business operations. FACC is committed to identifying and actively managing risks in the business environment at an early stage. The corporate risk strategy and hedging measures are implemented centrally for the entire Group.

The respective risk owner bears direct responsibility for risk management. The Director Treasury & Risk Management reports directly to the Management Board, which assumes overall responsibility for risk management. Within the framework of the risk management system, both risks that have occurred and potential future risks are continuously monitored and evaluated by the operative units and reported to the Management Board twice a year in the course of the Management Reviews. Exceptional events are immediately reported to the responsible risk owner or to the Director

Treasury & Risk Management. The latter decides whether the Management Board is to be notified straight away, which in turn informs the Supervisory Board at its meetings.

This ensures that significant risks are identified at an early stage and measures can be taken to counteract or limit them. According to the Management Board, potential risks currently identified are deemed manageable and controllable and, therefore, do not jeopardize the company's ability to continue as a going concern.

The following key risk areas have been identified:

6.1 Management risks

Based on market observations and analyses, a five-year business plan is prepared, which defines the underlying corporate strategy and is reviewed by the Supervisory Board. The specific business objectives for each financial year are derived from this plan, which is updated on an annual basis.

Short-term changes in the market environment constitute the greatest risk. In addition, successful operational implementation is also repeatedly jeopardized by external factors which can often scarcely be influenced.

FACC's management is responsible for implementing policy consistently, while promptly responding to short-term changes in line with the defined corporate strategy. In doing so, it must be ensured that the strategic direction of the company as well as the planned revenue and earnings targets are taken into due account.

6.2 Sales risks

The FACC Group operates in a highly competitive field and has a limited number of customers (aircraft manufacturers). FACC's business activities are cyclical and sensitive to the profit situation of commercial airlines and their orders for aircraft placed with manufacturers. The business performance of commercial airlines, in turn, is influenced by the global economic situation and the geopolitical environment.

The industry-specific risks to which the Group is exposed lie in changes to aircraft delivery schedules between manufacturers and final customers. The risk of a change in future aircraft deliveries directly affects the Group's future sales as the supply volumes of components manufactured by the Group change accordingly. This risk can take the shape of a reduction or a postponement of aircraft deliveries. As a consequence, development costs cannot be recovered within the calculation period.

FACC responds to this risk by achieving diversification within the industry: on the one hand, by maintaining supply contracts with the two dominant suppliers of commercial aircraft and, on the other hand, by entering into supply contracts in both the wide-body passenger aircraft and business jet segments. Furthermore, FACC is geographically diversified as it maintains supply contracts with the American/European market and Asia. FACC also acts as a development partner for the improvement of existing aircraft types, which results in supply contracts for the retrofitting of existing aircraft models.

6.3 Purchasing and supplier risks

FACC's Purchasing department regularly carries out risk assessments of the company's suppliers to identify potential threats and risks at an early stage. This is done in order to be able to set the priorities for the planning and the execution of audits and support the decision-making process when awarding new contracts. The selection of new suppliers requires the involvement of the "Procurement Quality Assurance" (PQA) department to make sure that the necessary qualifications and approvals have been obtained and that there are no identifiable risks. When new projects are launched, suppliers are subjected to a mandatory first sample test to minimize product risk. The ongoing quality-compliant and timely delivery of materials and of semi-finished and finished products is assessed via SAP on a regular basis. This evaluation is also an integral part of the overall risk assessment. Deviations from the targeted component quality and delivery performance are systematically tracked, analyzed, evaluated and benchmarked against defined goals. Noticeable variations are reported to the Management Board following the Management Reviews.

6.4 Business interruption risk

The company's manufacturing sites and plants are constantly maintained and serviced, thus keeping the risk of breakdowns or of lengthy production downtimes to a minimum. Business interruption risk is also covered by business interruption insurance with an indemnity period of 24 months.

6.5 Project management

FACC's project management is responsible for implementing the objectives defined by management by way of projects. In this regard, distinctions are made as to whether FACC is to assume development responsibility or not. Feasibility has to be assessed for each contract and associated risks identified, evaluated as well as closely monitored and analyzed during the course of the project in order to initiate and implement appropriate measures, if deemed necessary. The major risks concern the availability of resources of any kind (manpower, equipment, materials, etc.) as well as external factors, which the project team encounters via the company's interfaces or via third parties.

6.6 Product liability and quality risks

The products designed and manufactured by the company are intended for installation in aircraft or engines. Defects or malfunctions of the manufactured products may, directly or indirectly, jeopardize the property, health or life of third parties. Long-term safety is therefore a top priority. The company is not in a position to reduce or exclude its liability towards customers, consumers or third parties by way of sales agreements. Each product developed and/or manufactured in-house, which is supposed to leave the company, is subject to thorough scrutiny with regard to its quality and functionality.

As to projects for which FACC bears development responsibility, a higher risk exists due to the possibility of construction errors. This can, however, be effectively minimized through systematic action. Regular controls at all stages of development are intended to mitigate risks early on. Moreover, FACC operates an archive system with regard to quality records, which are either contractually stip-

ulated or go beyond contractual obligations on a case-by-case basis. This is to demonstrate that products were manufactured and services rendered according to defined criteria, while keeping in line with the guidelines approved by both customers and the aviation authority/authorities.

Despite product liability risks being adequately insured, quality problems may negatively affect the company's net asset position, financial position and profit position

6.7 Financial risks

In addition to financing risks, FACC's operating activities are also exposed to interest rate and currency risks. The Group's overall risk management focuses on the unpredictability of developments on the financial markets and aims to minimize potentially negative effects on the Group's financial position. In order to hedge against specific risks, the Group makes use of derivative financial instruments. FACC uses derivative financial instruments exclusively for the purpose of hedging underlying transactions; speculative transactions are strictly prohibited. The Group's Treasury & Risk Management department identifies, evaluates and hedges financial risks in close cooperation with the Group's operative units.

6.7.1. Currency risks

While the vast majority of sales by FACC are transacted in USD, significant parts of the costs are incurred in currencies other than USD, notably in EUR. FACC makes use of derivative financial instruments (forward exchange transactions) to hedge against adverse changes in the USD-EUR exchange rate, which can potentially give rise to losses.

The hedging strategies employed by the Group's Treasury & Risk Management department are designed to control and minimize the impact of exchange rate fluctuations. The Management Board approves the strategies and reports regularly to the Supervisory Board.

The risk management conducted by the Group's Treasury & Risk Management department pursues the objective of hedging on average 80% of expected net cash flows in USD (from revenues and purchases of raw materials) for the following 12 months (on a rolling monthly basis) (hedge ratio). If market levels are favorable, hedging periods can be extended to up to 36 months. Sensitivity analyses showing the effects of hypothetical changes in exchange rates on the Consolidated Profit and Loss Statement and on equity were carried out for the currency risks of financial instruments. In accordance with IFRS 7, currency risks result from financial instruments of a monetary nature that are not denominated in the reporting company's functional currency. As a consequence, receivables, liabilities, cash and foreign currency derivatives serve as the basis for calculating the sensitivity of the Consolidated Profit and Loss Statement. The sensitivity of equity also reflects the valuation effects of the cash flow hedges for foreign currency risks recorded in other comprehensive income. Translation differences from the translation of financial statements prepared in a currency other than the Group currency were not included in the calculation.

6.7.2. Interest rate risks

Interest rate risks depend on the average financing term and the type of interest rate. Fixed interest rates are subject to the risk of

falling interest rates, whereas variable interest rates carry the risk of rising interest rates.

An increase in interest rates by 50 basis points would have resulted in a reduction in earnings after taxes and in equity of kEUR 615 (previous year: kEUR 568). A reduction in interest rates by 50 basis points would have resulted in an increase in earnings after taxes and in equity in the amount of kEUR 587 (previous year: kEUR 568). Calculation is based on interest-bearing assets and liabilities subject to variable interest rates.

6.8 Risks related to administrative and production systems

Within the scope of its business processes, FACC is also exposed to IT and system risks which, in extreme cases, can lead to the impairment of administrative and production facilities. Risk factors falling under this category include, for instance, standard cyber-crime risks (cybercrime attacks such as hacking, phishing, ransomware, etc.) as well as typical fraud scenarios (social engineering) and the risk of unauthorized persons physically entering sensitive production or company areas. FACC has taken appropriate systemic security precautions for IT-related areas. Within the framework of fraud prevention, FACC relies on continuous training in sensitive areas and on information campaigns within the company. Physical plant security is ensured by measures such as access controls.

7. RESEARCH, DEVELOPMENT AND INNOVATION

FACC continuously invests in research and development in order to strengthen business relationships with its customers and develop new fields of business. Here, the main focus lies on proprietary in-house development in order to be able to use the expertise acquired for all current and future customers of the company. Moreover, FACC forms strategic alliances with customers and research institutions to further optimize its products.

In the 2019 financial year, FACC spent EUR 59.5 million, i.e. 9.0% of its revenues, on business-related and customer-specific research and development activities.

FACC considers active research and innovation to be a fundamental prerequisite for maintaining its leading position as a technology partner and systems supplier to its customers. Since FACC often works with protected customer patents and processes, in-house developments help to secure existing orders and open up new areas of business. Working with a strong network of customers, suppliers and scientific partners, FACC develops new technologies for use in future aerospace development programs.

FACC is constantly working on new product solutions and production technologies. The company is currently focusing its research on five major projects:

- Weight reduction
- Robust manufacturing processes
- Sustainable materials

- Increased production rates
- Digitization and artificial intelligence

Thermoplastic extruded components

In the past financial year, the aviation industry clearly showed a heightened interest in thermoplastic carbon fiber reinforced materials. High-performance plastics such as LM-PAEK (low-melting polyaryletherketone) and PEEK (polyetheretherketone) in particular are becoming increasingly important in structural applications. Processing in combination with a high-rate, automated and robust extrusion process ensures that carbon fiber reinforced components are manufactured quickly, cost-effectively and in high quality. A major advantage of thermoplastics is that they can be up-cycled. Waste (milling waste, offcuts, etc.) can be shredded and then reconverted into components in a further pressing step. This recycling process enables FACC to further reduce the amount of waste in the future and to contribute to the sustainable production of carbon fiber reinforced components. In the course of the Wing of Tomorrow project, FACC is developing thermoplastic carbon fiber reinforced structures in collaboration with AIRBUS in order to continue to provide new manufacturing technologies for series production in the future.

Induction welding

In the aerospace industry, individual components are usually joined mechanically by means of screws and rivets. However, this reliable joining method involves considerable effort in the assembly of components, and the large number of connecting elements results in greater component weight. One advantage of thermoplastics is that they can be melted and cooled repeatedly, thus making components suitable for joining by means of induction welding. In this process, an induction coil induces eddy currents which, due to heat loss in the carbon fibers, cause the fabric layers in the laminate to heat up. The joining partners are connected under pressure. By applying the induction welding process, the number of joining elements can be significantly reduced, thereby further decreasing the weight of the component. A further advantage is the high degree of automatability of the production process, enabling robust component production.

Integral hollow structures and resin injection methods

Integral carbon fiber reinforced structures are increasingly gaining in importance as they offer weight-saving potential by reducing the number of connecting elements and fittings and streamline the supply chain. For this reason, FACC is intensifying its research and development activities also in this field of technology. The manufacture of integral hollow structures in particular allows flaps, ailerons, elevators and rudders, for instance, to be produced in one curing cycle. The resin injection methods used include resin transfer molding (RTM) and membrane-assisted resin infusion (MARI) patented by FACC. In combination with fast-curing matrix systems, both manufacturing processes lead to a significant reduction in cycle times while simultaneously increasing the degree of automation in production. Moreover, the lower number of connecting elements results in shorter assembly times in production. FACC also collaborates closely with AIRBUS in the field of integral hollow structures in order to apply the technological advantage gained to series development.

Digitization and technology management

Digitization and technology management are becoming increasingly significant as a means of implementing future development projects quickly, cost-effectively and according to high quality standards. The digitization of the entire value chain plays a decisive role in this context. The goal is to ensure a continuous process chain, from brainstorming and product development through to production, quality control and the delivery of carbon fiber reinforced components. Technology management aims to make greater use of existing knowledge and to make it accessible to all corporate areas so that resources can be used more efficiently within the company.

Patents and awards

In order to further consolidate its technological lead in the composite sector, FACC strives for a high degree of independence in its process portfolio. Furthermore, the company seeks to gradually expand its component portfolio in order to develop new sales opportunities. FACC's research and development efforts were honored with the AIRBUS Innovation Award. Both growth areas are flanked by an extended patent strategy, of which the main objective is to guarantee maximum protection of intellectual property.

8. EMPLOYEES

As of 31 December 2019, the total headcount of the FACC Group stood at 3,371 full-time equivalents (FTE; previous year: 3,465 FTE).

In Austria, 3,125 FTE were working for the company as of 31 December 2019. This corresponds to approximately 93% of the Group's entire workforce.

| | Blue-collar | White-collar | Total |
|--------------------|-------------|--------------|-------|
| Central Services | 139 | 485 | 624 |
| Aerostructures | 705 | 218 | 923 |
| Engines & Nacelles | 418 | 124 | 542 |
| Cabin Interiors | 765 | 171 | 936 |
| Subsidiaries | 61 | 238 | 299 |
| FACC AG | - | 47 | 47 |
| Total | 2,088 | 1,283 | 3,371 |

The international nature of FACC is also reflected in its personnel structure. Employees from 47 different countries and from all continents are currently working at its Austrian locations. 55% of the workforce have Austrian citizenship, and 20% are German nationals. As a technology company, FACC's share of women in the total workforce remains high at nearly 30%. The fact that nearly 50% of the FACC Group's apprentices are women is particularly pleasing.

Healthy and Happy: FACC as a pioneer in workplace health promotion

FACC's commitment to the motivation, satisfaction and health of its employees is demonstrated by a wide range of measures and initiatives. FACC thus offers its employees subsidized childcare both throughout the year and during the summer holidays. This service is very popular among the workforce – the daycare center in St. Martin is fully booked. The distribution of isotonic beverages in production during the summer months, anti-smoking seminars as well as vaccination and blood donor campaigns are further contributions that FACC makes to the health of its employees. These and numerous other measures are implemented within the scope of the "Healthy & Happy" project, for which FACC was awarded the seal of approval for workplace health promotion (BGF) by the Upper Austrian Regional Health Insurance Fund in 2017. Recertification for 2020-2022 was successfully completed in 2019. In Austria, the BGF seal of approval is regarded as a visible sign and recognized standard for high-quality workplace health promotion. Independent experts verify whether the stringent quality criteria of the European network have been met for the BGF seal of approval through an objective and transparent procedure.

FACC Academy

Continuous investment in the human capital of its entire workforce is a key factor contributing to the success of FACC. The Group is committed to lifelong learning and, for this purpose, offers its employees a wide range of extra-occupational education and further training opportunities. The FACC Academy, which serves as the central hub for all training activities, organized 343 internal training sessions with a total of 4,239 participations in the 2019 financial year alone. In addition, 100 external training sessions attended by 542 employees were held.

In order to make responsible use of its employees' time resources, FACC is already offering selected training courses via e-learning. Meanwhile, e-learning content specifically tailored to the company's needs is being created by internal developers. In addition to e-learning in the areas of "SAP Basic", "SAP Advanced" and "System Management", web-based training courses are also available on topics such as "Export Control Advanced" and "Foreign Object Damage (FOD)". The latter refers to all foreign bodies and substances that can cause damage to aircraft or aircraft components. The learning units can be completed directly at the workplace via FACC's SAP system.

Moreover, to ensure that employees meet all job requirements, the training matrix for both the Austrian and international FACC locations was completely revised. The so-called "LSO Learner" in SAP provides each manager and employee with an overview in real time of the qualifications they have obtained or still need to acquire for their respective job. Internal training sessions can be booked directly, and additional training needs can be registered at any time with the FACC Academy. The ongoing expansion of the training portfolio includes new, targeted training courses for foremen, executives and employees working in project management.

Global family

As an internationally operating company with employees from 47 countries, FACC attaches great importance to cross-cultural dialogue. In order to ensure good teamwork between staff, a large

number of its employees attend language and intercultural training courses.

In addition to the numerous social benefits, company events such as the anniversary celebration, an employee party or the traditional Christmas party offered the perfect occasion to celebrate joint successes. Company-wide formats such as the quarterly "Flight Club" provide opportunities for networking and for discussing the world of work and other challenges of the future with renowned experts. Numerous cooperations with authorities, foundations, schools, research-related institutions and appearances at job fairs ensure that FACC has the right employees and the right know-how on board tomorrow.

In-house development of young talents

FACC also gives high priority to the training of its apprentices. At the end of the 2019 financial year, a total of 40 young people were enrolled in six different apprentice training programs at FACC. As a visible recognition of the quality of its apprentice training, the company was awarded the "State-Honoured Training Company" prize by the Federal Ministry of Science, Research and Economy.

FACC offers aspiring young apprentices highly specialized training programs in design engineering, milling, cutting and machining techniques, plastics engineering, process engineering, information technology and application development. At FACC, apprentices get access to the latest technologies and equipment in the company as soon as they start their training. This gives them the opportunity to make use of their innovative spirit and commitment to develop into the experts of the future. In the 2019 financial year, both current and future apprentices together with their families got to see all this for themselves at the Apprentice Day of the *zukunft.lehre.österreich*. initiative in Mattighofen as well as at the Long Night of Apprenticeship – including trying out seats inside the new EHang 216 air taxi.

FACC grant

The FACC grant with a total value of approximately EUR 100,000 was awarded for the first time in the 2019 financial year in the study course "Lightweight Design and Composite Materials". Four candidates receive monthly financial support for the duration of their studies. In addition, FACC covers their tuition fees, offers internships in its plants, provides guidance and assistance through competent FACC supervisors and allows students to take part in training courses as well as numerous other perks.

9. SUSTAINABILITY MANAGEMENT

The sustainability management of FACC is an integral part of the corporate strategy and reports to the Management Board. Its aim is to take due consideration of the environmental and societal impacts of each business process, and to reconcile the company's economic imperatives with socio-ecological considerations. Sustainability management and the operative units cooperate closely with each other.

FACC's first Sustainability Report for the 2017 financial year was presented in May 2018 and can be downloaded from the Group's website.

The Sustainability Report was prepared in accordance with the "GRI standards" (standards of the Global Reporting Initiative) and the requirements of the Austrian "NaDiVeG" (Sustainability and Diversity Improvement Act) and is published as a separate non-financial report in accordance with section 267a of the Austrian Commercial Code (UGB).

10. REPORT ON BRANCH OFFICES

FACC AG does not operate any branch offices.

11. DISCLOSURES PURSUANT TO SECTION 243A OF THE AUSTRIAN COMMERCIAL CODE (UGB)

11.1 Reporting on the key features of the Group's internal control and risk management system with regard to accounting procedures

Pursuant to section 243a paragraph 2 of the Austrian Commercial Code (UGB), FACC is required to give an account of the key features of its internal control and risk management system with regard to the accounting process. Pursuant to section 82 of the Austrian Stock Corporations Act (AktG), the Management Board of FACC has to ensure the establishment of an accounting and internal control system that complies with the company's requirements. Thus, the Management Board bears full responsibility for the implementation of an adequate internal control and risk management system with regard to the accounting process.

The key features of the risk management and internal control system are laid down in FACC's risk management and finance manuals. These manuals describe and identify key finance and controlling processes and their associated risks.

The accounting-related internal control system is designed to guarantee timely, uniform and correct recording of all business processes and transactions, while ensuring that well-founded statements about the company's current business situation can be made at all times.

The measures and rules include, amongst others, the separation of functions, the dual control principle, rules governing authorized signatories, joint signatory powers for authorizing payments only, which are restricted to a small number of persons, as well as system-supported checks by the IT software in use (SAP).

FACC has been using SAP in almost all areas across the company for more than ten years. The regularities of the SAP systems have been implemented in all relevant business processes.

In the course of monthly reporting to the Management Board and second-level management, especially comparisons between actual and budgeted figures are made. During its quarterly meetings, the

Supervisory Board of FACC AG is informed about business performance and forecasts regarding the Group's further course of business. In its meetings, the Audit Committee of the Supervisory Board dealt, amongst others, with topics such as the internal control system, risk management and measures to mitigate internal control risks.

Within the framework of the budgeting process, budget costs are planned for each individual cost center. Every cost center manager is responsible for not exceeding budgeted costs and keeping in line with planned investments. All investment projects are subject to prior approval by the Management Board. Investments running over budget are also subject to prior approval by the Supervisory Board.

11.2 Disclosures on capital, share, voting and control rights and associated obligations

The FACC Group's share capital amounted to EUR 45,790,000 as of 31 December 2019 and is divided into 45,790,000 no-par value bearer shares. All shares have been admitted to trading in the prime market segment of the Vienna Stock Exchange. Each share corresponds to one vote at the Annual General Meeting.

As of 31 December 2019, AVIC Cabin Systems Co. Limited (formerly FACC International Company Limited) held, either directly or indirectly, 55.5% of the shares of FACC. As of the balance sheet date on 31 December 2019, no other shareholders were known to hold more than 10% of the share capital.

The free float of FACC shares amounted to 44.5% or 20,397,364 shares on 31 December 2019.

There are no shares conferring special control rights.

FACC does not have an employee stock option plan in place under which employees do not directly exercise their voting rights for their shares in the company.

11.3 Authorized capital

At the Extraordinary General Meeting on 9 July 2019, authorized capital was approved. Accordingly, the Management Board is authorized, subject to prior approval by the Supervisory Board and within five years from the date on which the authorized capital was entered in the commercial register, to increase the company's share capital by up to a nominal figure of EUR 9,000,000 by issuing up to 9,000,000 new shares against cash or non-cash contributions. New shares can also be issued excluding shareholders' subscription rights.

The authorized capital was entered in the commercial register on 29 November 2019.

11.4 Conditional capital

At the Annual General Meeting on 9 July 2019, a resolution was passed approving the creation of conditional capital. The Management Board is thus entitled, subject to the approval of the Supervisory Board, to increase the share capital by a nominal amount of up to EUR 3,000,000 by issuing up to 3,000,000 new shares against cash or non-cash contributions within a maximum of five years from the registration of the authorized conditional capital in the commercial register. This authorized conditional capital serves the

purpose of granting stock options to employees, senior executives and members of the Management Board of the company or one of its affiliated companies as part of a company stock option plan. The capital increase is earmarked and may only be carried out to the extent that option holders exercise their options under a stock option plan of the company.

11.5 Legal provisions for the appointment of the Management Board and Supervisory Board

As long as AVIC Cabin Systems Co. Limited (formerly FACC International Company Limited) is a shareholder of FACC with a stake of at least 25% of the current share capital, AVIC Cabin Systems Co. Limited has the right to appoint up to one third of all members of the Supervisory Board in accordance with section 11 of FACC's Articles of Association.

There are no other provisions in the Articles of Association that go beyond the statutory provisions governing the appointment of the Management Board and Supervisory Board and amendments to the Articles of Association.

11.6 Other disclosures

As of 31 December 2019, FACC AG did not hold any treasury shares.

FACC is unaware of any restrictions regarding the voting rights of FACC shares and any transfer thereof, including any restrictions resulting from agreements between shareholders.

No compensation agreements exist between FACC and the members of the Management and Supervisory Boards in the event of a public takeover bid.

Agreements regarding promissory note loans include change-of-control clauses. Lenders shall be entitled to terminate the agreement if

a. Aviation Industry Corporation of China (AVIC) holds, either directly or indirectly, less than 50% plus one share of the borrower, or

b. Aviation Industry Corporation of China (AVIC) is not entitled, either directly or indirectly, to determine and appoint the majority of the members of the management and supervisory boards of the borrower.

12. OUTLOOK

12.1 The civil aviation market

The market forecasts published by Airbus and Boeing in 2019 once again confirm that, from today's perspective, the long-term growth trend in the civil aviation industry should continue in the future. Studies by OEMs currently confirm a constant annual increase in passenger volumes of around 4.5%. Between 2019 and 2037, approximately 40,000 new aircraft will be needed. Compared to the 2018 forecast, this represents an increase of 2,500 aircraft. The latest rate forecasts for the next two years, in contrast, show

that the increase of some aircraft types has stabilized and will be somewhat flatter than anticipated a year ago. From today's perspective, production rates for the long-haul market are not expected to grow in the coming 24-36 months; in individual cases (B787), a short-term adjustment of production rates (from 14 aircraft per month to 12 or 10 aircraft per month) is projected from Q4/2020 onwards. Short-term sales trends in the aircraft supply industry already stabilized at a high level in 2019, as predicted; according to the current outlook, it can be assumed that this situation will not change significantly in 2020. The approval and associated resumption of regular flight operations of the B737 MAX will constitute a major industry milestone in 2020 – an official date for the new approval has not yet been announced.

The shift of sales markets towards the new growth markets of China and India, which was already anticipated in the past few years, is once again confirmed and will remain unchanged in the future. The traffic volume (travel activity per year and inhabitant) in these countries is expected to quadruple by 2036. The number of days of travel per inhabitant in the USA and Europe is also expected to increase by a further 40% in the same period, even though it is already at a high level.

In the past year, Airbus and Boeing together delivered 1,243 new commercial aircraft to their customers (1,606 in 2018). During the same period, 681 aircraft were sold to airlines (1,640 in 2018). Owing to the well-known issues surrounding the B737 MAX, comparability of both figures (deliveries and new orders) with the key figures of 2018 is limited. Deliveries of Boeing 737 MAX aircraft to existing customers have been temporarily suspended as of March 2018. Airbus, in turn, delivered 863 aircraft in 2019 (800 in 2018) and received 786 new orders (747 in 2018). The order backlog of all aircraft sold currently stands at 12,913 aircraft. Assuming current annual delivery rates, the industry will be working to capacity for approximately 7 years.

A distinguishing feature of the industry is the acceleration of takeovers and the formation of new alliances. The acquisition of the Bombardier C-Series program by Airbus as of 1 July 2018 has made further progress. In addition, Bombardier has divested its aerostructures manufacturing facilities and sold them to Spirit. The negotiations between Boeing and Embraer with the aim of following the example of Airbus have been concluded. Boeing will take over the commercial aircraft division of Embraer, and Embraer will focus on the development and manufacturing of business jet products and on non-commercial areas.

COMAC continues to drive forward the series production of its AR21 aircraft and will reach further program milestones in the development of the C919 aircraft in 2019. From today's perspective, the COMAC 919 is scheduled to enter service in 2021, with 815 orders for the aircraft already placed.

12.2 Global influences and trends

As mentioned above, a general slowdown in global economic growth can be observed, which has a particularly strong impact on the long-haul market. As a result, the demand for wide-bodied aircraft with more than 350 seats has stabilized at a high level, with individual aircraft types potentially experiencing rate reductions in the short term (see information provided in section 12.1).

The future development of the corona virus epidemic and the associated effects on global consumption, tourism and industry still remain unclear at present. Initial forecasts predict a noticeable slowdown in global growth in 2020 due to the outbreak of the virus. Prolonged travel restrictions in the Asian growth markets in particular could lead to short-term excess capacities in the airline industry. Aircraft delivery and construction rates may be adversely impacted if existing travel restrictions remain in place in the long term, but the precise effects remain unclear.

Sustainable mobility concepts combined with the need to significantly reduce CO₂ emissions have increasingly become the focus of the general discussion. Private transport in particular, but also the aircraft industry will have to adapt to these trends and contribute to goal achievement with the appropriate technological innovations. The total CO₂ share of the aviation industry amounts to 2.7%. This value has already been halved over the last 50 years despite a four-fold increase in passenger volumes over the same period. The goal of the aircraft industry is to reduce its CO₂ share to less than 1.5% by 2050. Due to its acquired expertise in lightweight construction and the growing demand to further increase the efficiency of new aircraft, FACC is able to offer the market additional solutions that contribute to achieving this goal.

12.3 FACC Group

Due to its well balanced and broad customer and product portfolio as well as the planned series ramp-up of new projects, FACC will continue on its growth course in the 2020 financial year.

The development work for these new and promising products is well on track, approval tests are proceeding according to plan and the start-up of series production is underway. The rate ramp-ups initiated in the 2019 financial year will be continued, and further series ramp-ups, particularly in the field of engine systems, will enter series production in the course of the year. Production rates for these projects will also be gradually ramped up in 2020 and 2021.

Based on current market assessments and the Group's latest product mix, FACC expects stable to moderately increasing sales in line with market growth for the 2020 financial year. The activities carried out in recent years to increase profitability will be further intensified with the aim of compensating for natural cost increases.

In addition, the following activities are being initiated:

- The construction of a new production facility in Croatia will commence in 2020, and the additional capacities will be ready for use from 2021 as planned.
- The path taken towards vertical integration of core competencies into the FACC production network in the 2015 financial year will be sustainably reinforced. The goal is to simplify the value stream, further cut material and purchasing costs and significantly reduce dependency on individual supply chains. To this end, appropriate investments were made in the 2019 financial year. The production launch of metallic components will constitute a major milestone in this regard. These have so far been exclusively procured via supply chains. The manufacture of aluminum fittings will start in 2020 in a highly automated FACC manufacturing cell. Expertise development in the

area of high-quality aircraft furnishings is also progressing according to plan; in addition to investments in the production environment, new materials have been developed, approved and patented. Production will commence in the 2020 financial year, with a continuous increase in added value in 2021 and 2022.

- A general efficiency enhancement program in the amount of EUR 50 million was adopted. This program is centered around several fields of action and comprises the following main areas:
 - Increasing general manufacturing efficiency through learning curve and production cycle effects
 - Reducing material costs by (i) consolidating the existing supply chains and (ii) vertically integrating (insourcing) component groups with high purchase values or systems which are part of FACC's core competency
 - Further optimization of administrative and operative processes and the associated streamlining of organizational structures
 - Partial relocation of production to the FACC plant in Croatia, resulting in significantly lower manufacturing costs for products with a high labor cost share.

Along with its planned sales growth, FACC intends to gradually increase the profitability of the company with the aim of achieving an EBIT margin in excess of 8% within the first three years following the implementation of the aforementioned measures. Due to the introduction of the new projects described above, particularly in the field of Cabin Interiors, the margins in the first half of 2020 will be in line with the margins of the previous year. The main objective is to lead the strongly growing Cabin Interiors division into a stable profit zone from the second half of 2020 onwards and to subsequently drive forward a gradual improvement in margins. Given the current market situation, we expect earnings in the Aerostructures and Engines & Nacelles segments to remain at the same levels as in 2019.

FACC will continue its efforts to reach the sales target of EUR 1 billion by actively shaping the market in the 2020 financial year.

By way of conclusion, the FACC Group will continue to advance its business activities, ranging from development and production to global supply chain management, whilst sustainably strengthening its role as the partner of choice of the aviation industry. The implementation of the Group's "Vision 2020" strategy with a view to strengthening and expanding its position as a Tier-1 supplier in the global aerospace industry continues to have top priority.

Ried im Innkreis, 6 March 2020

Robert Machtlinger m.p.

Chairman of the Management Board

Aleš Stárek m.p.

Member of the Management Board

Andreas Ockel m.p.

Member of the Management Board

Yongsheng Wang m.p.

Member of the Management Board

Consolidated Profit and Loss Statement

for the period from 1 March 2019 to 31 December 2019 (Short Financial Year)

| | Note | 2018/19 EUR'000 | 2019 EUR'000 |
|---|------|--------------------|-----------------|
| Revenues | 9 | 781,553 | 665,036 |
| COGS – Cost of goods sold | 10 | -701,160 | -598,260 |
| Gross profit | | 80,393 | 66,776 |
| Research and development expenses | 11 | -2,464 | -901 |
| Selling expenses | 12 | -7,848 | -6,653 |
| Administration expenses | 13 | -28,485 | -35,312 |
| Other operating income | 14 | 12,590 | 12,040 |
| Other operating expenses | 15 | -10,582 | -1,339 |
| Earnings before interest and taxes (EBIT) | | 43,605 | 34,611 |
| Financing expenses | 18 | -10,050 | -10,417 |
| Other financial result | 18 | 3,198 | 2,716 |
| Financial result | | -6,852 | -7,701 |
| Earnings before taxes (EBT) | | 36,753 | 26,910 |
| Income taxes | 19 | -6,414 | -5,833 |
| Earnings after taxes | | 30,339 | 21,077 |
| of which attributable to non-controlling interests | | 17 | 15 |
| of which attributable to shareholders of the parent company | | 30,322 | 21,062 |
| Diluted (=undiluted) earnings per share (in EUR) | 20 | 0.66 | 0.46 |
| Issued shares (in shares) | | 45,790,000 | 45,790,000 |

Consolidated Statement of Comprehensive Income

for the period from 1 March 2019 to 31 December 2019 (Short Financial Year)

| | Note | 2018/19 EUR'000 | 2019 EUR'000 |
|--|------|--------------------|-----------------|
| Earnings after taxes | | 30,339 | 21,077 |
| Currency translation differences from consolidation | 33 | 132 | 44 |
| Cash flow hedges | 33 | -13,948 | 3,954 |
| Tax effect | 19 | 3,487 | -988 |
| Items subsequently reclassified to profit and loss | | -10,329 | 3,009 |
| Revaluation effects of termination benefits | 35 | 383 | -98 |
| Fair value measurement of securities (Fair value through other comprehensive income) | 33 | -1 | 15 |
| Tax effect | 19 | -96 | 21 |
| Items not subsequently reclassified to profit and loss | | 287 | -62 |
| Other comprehensive income after taxes | | -10,042 | 2,947 |
| Total comprehensive income | | 20,297 | 24,024 |
| of which attributable to non-controlling interests | | 17 | 15 |
| of which attributable to shareholders of the parent company | | 20,280 | 24,009 |

Consolidated Statement of Financial Position

as of 31 December 2019 (Short Financial Year)

| ASSETS | | | |
|---|--------|-----------------------|-----------------------|
| | Note | 28.02.2019 EUR'000 | 31.12.2019 EUR'000 |
| Intangible assets | 21 | 21,309 | 22,096 |
| Property, plant and equipment | 22 | 139,084 | 181,616 |
| Receivables from customer-related engineering | 23 | 86,053 | 109,166 |
| Contract assets | 24 | 15,099 | 5,433 |
| Contract costs | 25 | 39,976 | 42,665 |
| Other financial assets | 26 | 457 | 472 |
| Receivables from related companies | 27, 48 | 6,156 | 5,633 |
| Other receivables | 28 | 8,657 | 8,838 |
| Deferred taxes | 19 | 8,101 | 2,465 |
| Non-current assets | | 324,892 | 378,384 |
| Inventories | 29 | 123,781 | 122,798 |
| Customer-related engineering | 30 | 28,851 | 8,715 |
| Trade receivables | 31 | 95,998 | 98,824 |
| Receivables from related companies | 48 | 24,218 | 19,390 |
| Current tax income receivables | | 38 | 407 |
| Other receivables and deferred items | 31 | 37,949 | 35,125 |
| Cash and cash equivalents | 32 | 90,062 | 75,790 |
| Current assets | | 400,898 | 361,049 |
| Balance sheet total | | 725,790 | 739,434 |

EQUITY AND LIABILITIES

| | Note | 28.02.2019 EUR'000 | 31.12.2019 EUR'000 |
|--|------|-----------------------|-----------------------|
| Share capital | 33 | 45,790 | 45,790 |
| Capital reserve | 33 | 221,459 | 221,459 |
| Currency translation reserve | 33 | -665 | -621 |
| Other reserves | 33 | -7,321 | -4,418 |
| Retained earnings | 33 | 39,674 | 53,868 |
| Equity attributable to shareholders of the parent company | | 298,937 | 316,078 |
| Non-controlling interests | | 34 | 49 |
| Equity | | 298,971 | 316,127 |
| Promissory note loans | 38 | 0 | 70,000 |
| Bonds | 38 | 89,769 | 0 |
| Lease liabilities | 38 | 0 | 54,732 |
| Other financial liabilities | 38 | 78,130 | 43,758 |
| Derivative financial instruments | 45 | 64 | 14 |
| Investment grants | 34 | 7,379 | 6,494 |
| Employee benefit obligations | 35 | 9,860 | 10,657 |
| Other provisions | 37 | 12 | 0 |
| Other liabilities | | 22 | 66 |
| Deferred tax liabilities | 19 | 450 | 609 |
| Non-current liabilities | | 185,685 | 186,329 |
| Promissory note loans | 38 | 34,000 | 0 |
| Bonds | 38 | 0 | 89,916 |
| Lease liabilities | 38 | 0 | 4,622 |
| Other financial liabilities | 38 | 69,021 | 25,994 |
| Derivative financial instruments | 45 | 10,532 | 1,910 |
| Contract liabilities from customer-related engineering | 36 | 17,312 | 4,845 |
| Trade payables | | 74,819 | 83,465 |
| Liabilities towards related companies | 48 | 4,623 | 4,508 |
| Investment grants | 34 | 510 | 635 |
| Income tax liabilities | | 2,279 | 1,210 |
| Other provisions | 37 | 6,621 | 879 |
| Other liabilities and deferred items | 39 | 21,417 | 18,994 |
| Current liabilities | | 241,134 | 236,978 |
| Balance sheet total | | 725,790 | 739,434 |

Consolidated Statement of Changes in Equity

For the period from 1 March 2019 to 31 December 2019 (Short Financial Year)

| | Note | Attributable to shareholders of the parent company | | |
|--|------|--|------------------|------------------------------|
| | | Share capital | Capital reserves | Currency translation reserve |
| | | EUR'000 | EUR'000 | EUR'000 |
| As of 1 March 2018 (previous) | | 45,790 | 221,459 | -797 |
| First application of IFRS 15 | | 0 | 0 | 0 |
| First application of IFRS 9 | | 0 | 0 | 0 |
| As of 1 March 2018 (adjusted) | | 45,790 | 221,459 | -797 |
| Earnings after taxes | | 0 | 0 | 0 |
| Other comprehensive income after taxes | 33 | 0 | 0 | 132 |
| Total comprehensive income | | 0 | 0 | 132 |
| Dividend payment | 33 | 0 | 0 | 0 |
| As of 28 February 2019 | | 45,790 | 221,459 | -665 |
| As of 1 March 2019 | | 45,790 | 221,459 | -665 |
| Earnings after taxes | | 0 | 0 | 0 |
| Other comprehensive income after taxes | 33 | 0 | 0 | 44 |
| Total comprehensive income | | 0 | 0 | 44 |
| Dividend payment | 33 | 0 | 0 | 0 |
| As of 31 December 2019 | | 45,790 | 221,459 | -621 |

| Attributable to shareholders of the parent company | | | | | | | |
|--|--------------------------------|-------------------------------|---------------------------------|------------------|---|-------------------------|--|
| Other reserves | | | | | | | |
| Securities – Fair value through other comprehen- sive income EUR'000 | Cash flow hedges EUR'000 | Reserves IAS 19 EUR'000 | Retained earnings EUR'000 | Total EUR'000 | Non-controlling interests EUR'000 | Total equity EUR'000 | |
| -1 | 6,470 | -3,615 | 53,772 | 323,077 | 17 | 323,094 | |
| 0 | 0 | 0 | -39,137 | -39,137 | 0 | -39,137 | |
| 0 | 0 | 0 | -246 | -246 | 0 | -246 | |
| -1 | 6,470 | -3,615 | 14,389 | 283,695 | 17 | 283,712 | |
| 0 | 0 | 0 | 30,322 | 30,322 | 17 | 30,339 | |
| -1 | -10,461 | 287 | 0 | -10,042 | 0 | -10,042 | |
| -1 | -10,461 | 287 | 30,322 | 20,280 | 17 | 20,297 | |
| 0 | 0 | 0 | -5,037 | -5,037 | 0 | -5,037 | |
| -2 | -3,991 | -3,328 | 39,674 | 298,937 | 34 | 298,971 | |
| -2 | -3,991 | -3,328 | 39,674 | 298,937 | 34 | 298,971 | |
| 0 | 0 | 0 | 21,062 | 21,062 | 15 | 21,077 | |
| 11 | 2,965 | -73 | 0 | 2,947 | 0 | 2,947 | |
| 11 | 2,965 | -73 | 21,062 | 24,009 | 15 | 24,024 | |
| 0 | 0 | 0 | -6,869 | -6,869 | 0 | -6,869 | |
| 9 | -1,026 | -3,401 | 53,868 | 316,078 | 49 | 316,127 | |

Consolidated Statement of Cash Flows

| | Note | 2018/19 EUR'000 | 2019 EUR'000 |
|--|------|--------------------|-----------------|
| Operating activities | | | |
| Earnings before taxes (EBT) | | 36,753 | 26,910 |
| Plus financial result | | 6,852 | 7,701 |
| Earnings before interest and taxes (EBIT) | | 43,605 | 34,611 |
| Plus/minus | | | |
| Depreciation, amortization and impairment | | 15,845 | 18,794 |
| Amortization contract costs | | 8,048 | 6,327 |
| Impairment contract costs | | 7,287 | 0 |
| Income from the reversal of investment grants | | -2,789 | -215 |
| Change in other non-current provisions | | -8,808 | -12 |
| Change in employee benefit obligations | | 975 | 700 |
| Other non-cash expenses/income | 40 | -1,773 | -11,929 |
| | | 62,390 | 48,275 |
| Change in working capital | | | |
| Change in inventory and customer-related engineering | | 17,804 | 20,121 |
| Change in trade receivables and other receivables, receivables from customer-related engineering and contract assets | | 693 | -5,430 |
| Change in trade payables and other liabilities | | -14,302 | -9,957 |
| Change in current provisions | | -2,628 | -3,674 |
| Cash flow from ongoing activities | | 63,957 | 49,335 |
| Interest received | 41 | 387 | 746 |
| Taxes paid | | -997 | -2,355 |
| Cash flow from operating activities | | 63,347 | 47,726 |
| | | | |
| Payments for the acquisition of non-current assets | 42 | -36,164 | -17,905 |
| Proceeds from the disposal of non-current assets | | 419 | 17 |
| Cash flow from investing activities | | -35,745 | -17,888 |
| | | | |
| Proceeds from promissory note loans | | 0 | 70,000 |
| Proceeds from non-current interest-bearing liabilities | | 41,698 | 69,356 |
| Repayments of promissory note loans | | 0 | -34,000 |
| Repayments of non-current interest-bearing liabilities | | -19,122 | -83,800 |
| Change in current interest-bearing liabilities | | -6,740 | -42,862 |
| Outflows from leasing agreements | | -780 | -4,913 |
| Dividend payment | | -5,037 | -6,869 |
| Interest paid | 41 | -10,843 | -10,525 |
| Cash flow from financing activities | | -825 | -43,612 |
| | | | |
| Net changes in cash and cash equivalents | | 26,776 | -13,774 |
| Cash and cash equivalents at the beginning of the period | | 63,488 | 90,062 |
| Effects from foreign exchange rates | | -202 | -498 |
| Cash and cash equivalents at the end of the period | | 90,062 | 75,790 |

Notes to the Consolidated Financial Statements

GENERAL INFORMATION

1. General information

The FACC Group (hereinafter referred to as FACC) with headquarters in Ried im Innkreis is an Austrian enterprise involved in the development, production and maintenance of aircraft components. Its primary fields of activity include the production of structural components such as parts of engine cowlings, wing claddings or control surfaces and the production of interiors fittings in the modern commercial aircraft such as overhead stowage compartments, cabin linings and service units. The majority of the components are manufactured from composite materials. FACC also integrates metallic components made of titanium, high-alloyed steels and other metals into these composite components and delivers the ready-to-install components to the manufacturers' assembly lines.

FACC AG has been listed on the Vienna Stock Exchange in the prime market exchange segment (commercial trade) since 25 June 2014.

FACC AG is part of the consolidation scope of Aviation Industry Corporation of China, Ltd. with headquarters in Hong Kong (Room 2201, 22/F, Fairmont House, 8 Cotton Tree Drive, Admiralty, Hong Kong), commercial registration number 91110000710935732K.

2. Basis of preparation of the Consolidated Financial Statements

The Consolidated Financial Statements of FACC AG as of 31 December 2019 were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the interpretations of the IFRS Interpretations Committee (IFRSIC) as adopted by the European Union (EU). According to section 245a of the Austrian Company Code (UGB), these Consolidated Financial Statements are subject to exception under Austrian law. All additional requirements of section 245a (1) of the Austrian Company Code (UGB) have been fulfilled.

The Consolidated Financial Statements are prepared as of the balance sheet date of the parent company, FACC AG. The short financial year begins on 1 March 2019 and ends on 31 December 2019. The annual financial statements of the individual domestic and foreign companies included in the Consolidated Financial Statements are prepared as of the reporting date of the Consolidated Financial Statements.

Accounting and valuation within the Group are carried out according to uniform criteria. The Consolidated Financial Statements were prepared on a going concern basis. For the sake of clarity, the "Consolidated Profit and Loss Statement", the "Statement of Com-

prehensive Income", the "Consolidated Statement of Financial Position", the "Consolidated Statement of Changes in Equity" and the "Consolidated Statement of Cash Flows" have been summarized and are explained separately in the Notes according to the materiality principle.

The Consolidated Profit and Loss Statement has been prepared under the cost-of-sales method.

The Consolidated Statement of Financial Position is classified by maturity in accordance with IAS 1. Assets and liabilities are classified as current if they are expected to be realized or settled within twelve months of the balance sheet date.

The Consolidated Financial Statements are presented in euros. Unless otherwise stated, all amounts have been rounded to the nearest thousand (EUR'000). Due to rounding, slight differences may occur.

The accounting and valuation principles of the previous year, which form the basis for the present Consolidated Financial Statements, were applied unchanged and supplemented by new IFRS standards to be applied from this short financial year onwards (see Note 50 – Effects of new and amended standards (revised)). A description of the accounting and valuation principles is given in Note 49 – Accounting and valuation policies.

At the 5th Annual General Meeting held on 9 July 2019, a resolution was passed to change the financial year to the calendar year. 2019 is therefore a short financial year ending on 31 December 2019 (1 March 2019 - 31 December 2019). The financial year of the FACC Group has thus been adjusted to the reporting date of the Aviation Industry Corporation of China. The figures for the short financial year can only be compared with the previous year to a limited extent.

3. Effects of the first-time application of IFRS 16

With effect from 1 March 2019, the FACC Group adopted IFRS 16 Leases and this has resulted in changes to the accounting and valuation principles. Figures of the previous year (as of 28 February 2019) have not been adjusted. Rights of use were recognized in the amount of the lease liabilities recognized as of 1 March 2019. For the adoption of IFRS 16, the FACC Group applied the modified retrospective method and practical expedients in line with IFRS 16.C10 a), c), d), as well as IFRS 16.C3 were also employed.

The rights of use, which were first recorded as of 1 March 2019, are reported in the Consolidated Statement of Financial Position as of 31 December 2019 as non-current assets under the position property, plant and equipment.

The lease liabilities are recorded under lease liabilities (non-current) and lease liabilities (current).

The adjustments in the balance sheet relating to the first-time application of IFRS 16 are as follows:

| | 01.03.2019 EUR'000 | As reported | First-time application of IFRS 16 | Balances with adoption of IFRS 16 |
|---|-----------------------|----------------|--------------------------------------|-----------------------------------|
| Property, plant and equipment | | 139,084 | 33,782 | 172,866 |
| Lease liabilities (non-current) | | 0 | 48,678 | 48,678 |
| Lease liabilities (current) | | 0 | 5,316 | 5,316 |
| Other financial liabilities (non-current) | | 78,130 | -19,420 | 58,710 |
| Other financial liabilities (current) | | 69,021 | -792 | 68,229 |
| Balance sheet total | | 725,790 | 33,782 | 759,572 |

The following table shows the reconciliation of the obligation arising from operating leases as of 28 February 2019 to the lease liability recognized as of 1 March 2019. The weighted average incremental borrowing rate applied for the valuation of lease liabilities as of 1 March 2019 was between 2% and 2.5%.

| | |
|--|---------------|
| Obligations from operating leases and rental agreements in accordance with IAS 17, information as of 28.02.2019 | 25,373 |
| Exemption from the charge for low-value assets | -33 |
| Exemption from recognition for short-term leases | -1,766 |
| Adjustment due to different treatment of termination, renewal and purchase options | 16,207 |
| New contracts/amended contracts | 209 |
| Lease liabilities before discounting | 39,991 |
| Lease liabilities discounted at the incremental borrowing rate at the time of first application | 33,782 |
| Finance lease liabilities as of 28.02.2019 | 20,212 |
| Lease liabilities as of 01.03.2019 | 53,994 |
| thereof current | 5,316 |
| thereof non-current | 48,678 |

4. Consolidated companies

The Consolidated Financial Statements of FACC AG include all companies controlled by FACC AG. According to IFRS 10, an investor has power over an investee if it has the ability to direct activities which significantly affect the investee's return, has exposure or rights to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect the amount of its returns.

The group of consolidated companies of FACC as of 31 December 2019 increased by one company compared to the scope of consolidated companies as of 28 February 2019 and comprises nine companies, including FACC AG.

The contract for the acquisition of all shares in the Croatian NE-MAR d.o.o. was signed on 6 May 2019. The company was renamed FACC Solutions Croatia d.o.o. The purchase price was kHRK 58. The purchase price essentially reflects the fair value of the company's assets. A goodwill in the amount of kEUR 5 was immediately amortized with an effect on net income.

FACC AG comprised the following subsidiaries on 31 December 2019 or 28 February 2019:

| Company | Headquarters | Issued and fully paid nominal capital | Currency | Direct share | Primary activities |
|--------------------------------|---------------------------|---------------------------------------|----------|--------------|--|
| FACC Operations GmbH | Ried im Innkreis, Austria | 127,000,000 | EUR | 100% | Development & production of aircraft components; customer service & repair |
| FACC Solutions (Canada) Inc. | Montreal, Canada | 10,000 | CAD | 100% | Production; customer service & repair |
| FACC Solutions Croatia d.o.o. | Zagreb, Croatia | 20,000 | HRK | 100% | Production |
| FACC Solutions Inc. | Wichita, Kansas, USA | 10,000 | USD | 100% | Customer service & repair |
| FACC Solutions s.r.o. | Bratislava, Slovakia | 6,639 | EUR | 100% | Design & engineering |
| FACC (Shanghai) Co., Ltd | Shanghai, China | 2,000,000 | RMB | 100% | Design & engineering |
| FACC Solutions Private Limited | Pune, India | 20,193,003 | INR | 100% | Design & engineering |
| CoLT Prüf und Test GmbH | St. Martin, Austria | 35,000 | EUR | 91% | Design & engineering |

5. Consolidation methods

The capital consolidation of fully consolidated affiliates is performed according to the acquisition method, which involves comparing the consideration paid with the revalued net assets (equity) of the acquired entity at the time of acquisition. Under IFRS 3, assets, liabilities and contingent liabilities, to the extent that they can be identified, are recognized at fair value on initial consolidation; any remaining positive difference between the procurement costs and the revalued equity share is capitalized as goodwill in the respective segment in the respective national currency. A negative difference is recognized in the Profit and Loss Statement under other operating income.

Goodwill and intangible assets with indefinite useful lives are tested for impairment (impairment test) together with the cash-generating units (business units) to which they are allocated at least annually and, if found to be impaired, are written down to the lower recoverable amount. If events are observed during the year that point to permanent impairment, the relevant cash-generating units are subjected to impairment tests on a case-by-case basis (see Note 49 – Accounting and valuation policies and Note 21 – Intangible assets and goodwill).

Revenues, earnings and expenses as well as receivable and liability settlements between consolidated companies are eliminated.

Interim results of non-current and current assets resulting from intra-group transactions are eliminated.

6. Currency conversion

The Consolidated Financial Statements are prepared in euros, the functional currency of FACC AG.

The annual financial statements of foreign subsidiaries are converted into euros in accordance with the functional currency concept of IAS 21. The currency of all subsidiaries is the respective local currency since they conduct their business independently from a financial, economic and organizational point of view.

Monetary assets and liabilities denominated in a foreign currency are translated into the functional currency using the closing conversion rate at each balance sheet date. All exchange rate differences are recorded to profit or loss. Non-monetary items measured at historical cost in a foreign currency are translated at the exchange rate on the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated at the rate that existed when the fair value was determined.

Goodwill arising on the acquisition of foreign subsidiaries is allocated to the acquired entities and converted at the exchange rate on the balance sheet date. The items in the profit and loss statements of foreign consolidated companies are converted at average period rates.

Currency conversion differences between the closing conversion rate or historical rates on the balance sheet and the average rate on the Profit and Loss Statement are recorded as part of the other comprehensive income in equity. Likewise, unrealized currency conversion differences from shareholder loans with long maturities within the Group are also recorded in the other comprehensive income.

Exchange rate differences arising from the conversion of transactions and monetary balance sheet items in foreign currencies are recorded to profit or loss at the exchange rates applicable at the time of the transaction or valuation.

The following exchange rates were used for currency conversions:

| Currency | Abbrev. | Closing rate | | Average rate | |
|-----------------------|---------|--------------|------------|--------------|---------|
| | | 28.02.2019 | 31.12.2019 | 2018/19 | 2019 |
| Canadian dollar | CAD | 1.5042 | 1.4598 | 1.5255 | 1.4806 |
| Indian rupee | INR | 80.8915 | 80.1870 | 81.1062 | 78.4434 |
| Croatian kuna | HRK | - | 7.4395 | - | 7.4154 |
| Chinese renminbi yuan | RMB | 7.6309 | 7.8205 | 7.7879 | 7.7421 |
| US dollar | USD | 1.1416 | 1.1234 | 1.1664 | 1.1157 |

7. Use of assumptions and estimates

The preparation of the Consolidated Financial Statements requires management to make use of certain estimates and assumptions which have an impact on the amounts of the reported assets and liabilities as well as contingent liabilities, on other liabilities on the balance sheet date and the disclosure of earnings and expenses during the reporting period. The actual amounts may differ from the estimates given.

The **intrinsic value of goodwill**, of **assets with indefinite useful lives**, of **capitalized development projects** as well as **contract costs which have not yet been completed** are assessed by calculating the value in use with the discounted cash flow method. The

recoverable amount depends to a large extent on expected cash flow surpluses and the applied cost of capital. With respect to these parameters, management calculates estimates and makes assumptions relating to FACC's future surplus payments and capital costs expected in the planning periods as well as the individual cash-generating units. Estimates are made to the best of our knowledge and belief subject to the going concern assumption, build on our experience and take remaining uncertainty into account in an appropriate manner.

A sensitivity analysis was performed to illustrate the effects of changing parameters in the planning calculation on the Consolidated Profit and Loss Statement. The planning assumptions made for the impairment test of goodwill and the sensitivity analysis are

explained in more detail in Note 21 – Intangible assets and goodwill.

Contract costs were tested for impairment in the course of the 2019 short financial year to the extent that there were indications of impairment, such as expected losses within the framework of multi-year planning. The intrinsic value was assessed by calculating the value in use of the development projects using the discounted cash flow method. The recoverable amount depends to a large extent on expected cash inflows from the respective projects and the applied cost of capital. With respect to these parameters, management calculates estimates and makes assumptions relating to FACC's future surplus payments and capital costs expected in the planning periods as well as the individual cash-generating units. Estimates are made to the best of our knowledge and belief subject to the going concern assumption, build on our experience and take remaining uncertainty into account in an appropriate manner.

Impairment requirements are assessed at the level of individual projects or projects to be considered jointly, provided that these generate independent cash flows. Under certain conditions, development projects pertaining to the same type of aircraft are grouped together for purposes of impairment testing.

The **useful life of property, plant and equipment** is derived from estimates based on the operation of comparable assets. The useful lives thus determined are constantly checked for their continued validity and, if necessary, adjusted. The average useful lives are specified in Note 49 – Accounting and valuation policies.

Determining the lease term of contracts with **renewal and termination options**:

The FACC Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The FACC Group has one lease contract that includes extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain that the option to renew or terminate the lease will be exercised or not. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The FACC Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its **incremental borrowing rate** to measure lease liabilities. The incremental borrowing rate is the rate of interest that the FACC Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what FACC 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The FACC Group estimates the incremental borrowing rate

using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Receivables from customer-related engineering are recognized at the present value of future incoming payments for development costs incurred, whereby the estimates for determining this value are based on the budget approved by the Supervisory Board for the coming financial year and medium-term planning for the next five years. The estimates, moreover, may not exceed the rates published by Airline Monitor. In addition, the forward-looking model of expected loan defaults set out in IFRS 9 is used. Determining the extent to which expected loan defaults will be influenced by changes in economic factors requires the exercise of considerable discretion and is made on the basis of weighted probabilities.

The **impairment of trade receivables, receivables from customer-related engineering and contract assets** is determined on the basis of empirical values regarding overdue payments as well as the estimated probability of incoming payments.

"Slow-moving" **inventory** items, which are classified according to product groups, are subject to specific write-downs. The system identifies materials with a storage period of more than 24 months as slow-moving inventory items.

Employee benefit obligations are determined on the basis of actuarial calculations made by actuaries. Actuarial valuations are based on assumptions about discount rates, future wage and salary increases and mortality rates. When determining the appropriate discount rate, management bases its calculations on long-term market interest rates. The applied mortality rate is derived from publicly available mortality tables in the respective country. Future wage and salary increases are calculated on the basis of expected future inflation rates for the respective country. All assumptions are reviewed and evaluated at each balance sheet date. Further details on the assumptions made and sensitivities are given in Note 35 – Employee benefit obligations.

The calculation of **deferred tax assets** requires assumptions to be made regarding future taxable earnings and the timing of the realization of deferred tax assets. However, as future business performance is uncertain and cannot be fully influenced by FACC, the valuation of deferred taxes is subject to uncertainties.

Provisions for warranties are determined according to a standardized process. These risks are calculated by the division heads at each balance sheet date and are then assessed by management. Where a risk has to be taken into account, the respective area of responsibility must make the best possible estimate of the provision to be recognized on the basis of empirical values and individual assessments. Provisions are regularly adjusted to incorporate new findings.

Pending losses are immediately recorded as expenses if the total contract costs are expected to exceed the contract revenues. In order to determine the contract costs, management must make a substantial number of estimates regarding the fulfillment of certain performance requirements as well as the development of productivity improvements and warranty expenses.

In addition, it is also necessary to assess whether individual agreements with customers are to be considered contracts. This depends, in particular, on whether delivery obligations were negotiated jointly and involve the same products.

Within the framework of customer and supplier contracts, estimates must also be made with regard to the outcome of disputes regarding additional claims on the part of FACC and counterclaims of the customer and supplier. These are partially dependent on the outcome of legal disputes. Subsequent claims are only recognized in exceptional cases if an external legal opinion exists that confirms the enforceability of the amount and reason for the subsequent claim with a very high probability. Provisions are also recognized on the basis of the legal opinions obtained to assess the risks from counterclaims of a significant amount, taking into account all opportunities and risks.

8. Business segments

Segment reporting follows the internal management and reporting of FACC AG (according to IFRS). The earnings before interest and taxes (EBIT) are the key performance indicator used to steer the

business segments and are reported to the responsible corporate body (Management Board of FACC AG).

Due to different applications of the products, three operating segments were created:

- **Aerostructures:** development, production, distribution and repair of structural components
- **Engines & Nacelles:** development, production, distribution and repair of engine components
- **Cabin Interiors:** development, production, distribution and repair of interior furnishing

In addition to the three operating segments, the Group also comprises the central services Finance and Controlling, Human Resources, Legal, Quality Assurance, Research & Development, Communication & Marketing, Purchasing and IT (including Engineering Services). The central services support the operating segments in fulfilling their duties within the framework of a matrix organization. Their earnings and outlays are allocated to the three segments using a specific method.

| | Aerostructures EUR'000 | Engines & Nacelles EUR'000 | Cabin Interiors EUR'000 | Total EUR'000 |
|--|---------------------------|-------------------------------|----------------------------|------------------|
| Financial year 2018/19 | | | | |
| Revenues | 335,670 | 168,479 | 277,405 | 781,553 |
| Earnings before interest and taxes (EBIT) | 37,600 | 9,483 | -3,478 | 43,605 |
| Investments | 10,775 | 6,217 | 19,173 | 36,164 |
| Depreciation, amortization and impairment | 7,511 | 3,588 | 4,745 | 15,845 |
| Assets on 28 February 2019 | 316,167 | 152,146 | 257,477 | 725,790 |
| <i>thereof non-current assets 28 February 2019</i> | <i>142,008</i> | <i>65,592</i> | <i>93,921</i> | <i>301,521</i> |

| | Aerostructures EUR'000 | Engines & Nacelles EUR'000 | Cabin Interiors EUR'000 | Total EUR'000 |
|--|---------------------------|-------------------------------|----------------------------|------------------|
| Short financial year 2019 | | | | |
| Revenues | 243,471 | 152,383 | 269,181 | 665,036 |
| Earnings before interest and taxes (EBIT) | 31,273 | 5,973 | -2,635 | 34,611 |
| Investments | 8,463 | 2,715 | 6,727 | 17,905 |
| Depreciation, amortization and impairment | 8,217 | 4,740 | 5,837 | 18,794 |
| Assets on 31 December 2019 | 321,419 | 153,449 | 264,565 | 739,434 |
| <i>thereof non-current assets 31 December 2019</i> | <i>175,213</i> | <i>71,219</i> | <i>114,544</i> | <i>360,976</i> |

Total segment revenues represent external revenues generated from external parties. Revenues broken down by geographical area are presented according to the location of the customer in Note 9 – Revenues.

For the financial year ending 31 December 2019, the Group generated revenues of kEUR 289,758 (previous year: kEUR 305,248) and kEUR 71,737 (previous year: kEUR 77,938) with two external customers, each of which exceeded 10% of total revenues. Sales revenues were generated from these customers in all three segments.

The non-current assets (intangible assets, property, plant and equipment, receivables from customer-related engineering, contract assets and contract costs) are located mainly in Austria, as in the previous year.

NOTES TO THE CONSOLIDATED PROFIT AND LOSS STATEMENT

9. Revenues

Revenues from contracts with customers are generated through the production of aircraft components, engineering services and other services in connection with the production of aircraft components. Revenues by type, segment and geographical area are presented below:

| | 2018/19 | 2019 | 2018/19 | 2019 | 2018/19 | 2019 | 2018/19 | 2019 |
|--------------------------|----------------------------|----------------------------|-------------------------------|-------------------------------|----------------------------|----------------------------|------------------|------------------|
| | Aero-structures EUR'000 | Aero-structures EUR'000 | Engines & Nacelles EUR'000 | Engines & Nacelles EUR'000 | Cabin Interiors EUR'000 | Cabin Interiors EUR'000 | Total EUR'000 | Total EUR'000 |
| Production | 279,411 | 212,416 | 161,043 | 142,677 | 259,636 | 237,327 | 700,090 | 592,419 |
| Engineering and services | 56,259 | 31,056 | 7,436 | 9,707 | 17,768 | 31,854 | 81,463 | 72,616 |
| | 335,670 | 243,471 | 168,479 | 152,383 | 277,405 | 269,181 | 781,553 | 665,036 |

| | 2018/19 EUR'000 | 2019 EUR'000 |
|-----------------|--------------------|-----------------|
| Germany | 274,658 | 234,848 |
| USA | 155,605 | 122,739 |
| Canada | 95,906 | 82,147 |
| Austria | 2,245 | 1,910 |
| Other countries | 253,139 | 223,392 |
| | 781,553 | 665,036 |

The FACC Group recognizes revenue from the sale of products as well as from development and other services almost exclusively for a specific point in time.

Expected future sales for performance obligations not fulfilled (or partially not fulfilled) in the reporting period under existing contracts amount to kEUR 312 (previous year: kEUR 3,721). These performance obligations refer to fixed orders of shipsets still to be delivered or services still to be provided.

10. Cost of goods sold

| | 2018/19 EUR'000 | 2019 EUR'000 |
|---------------------------------|--------------------|-----------------|
| Material expenses | -535,363 | -433,428 |
| Personnel costs | -137,192 | -143,105 |
| Depreciation and amortization | -13,690 | -14,780 |
| General administration expenses | -14,915 | -6,947 |
| | -701,160 | -598,260 |

11. Research and development expenses

| | 2018/19 EUR'000 | 2019 EUR'000 |
|---------------------------------|--------------------|-----------------|
| Material expenses | -193 | -113 |
| Personnel costs | -1,229 | -631 |
| Depreciation and amortization | -28 | -28 |
| General administration expenses | -1,014 | -129 |
| | -2,464 | -901 |

12. Selling expenses

| | 2018/19 EUR'000 | 2019 EUR'000 |
|---------------------------------|--------------------|-----------------|
| Material expenses | -436 | -267 |
| Personnel costs | -5,019 | -4,108 |
| Depreciation and amortization | -62 | -90 |
| General administration expenses | -2,331 | -2,187 |
| | -7,848 | -6,653 |

13. Administration expenses

| | 2018/19 EUR'000 | 2019 EUR'000 |
|-------------------------------------|--------------------|-----------------|
| Material expenses | 180 | -1,082 |
| Personnel costs | -12,787 | -10,311 |
| Depreciation and amortization | -1,336 | -3,896 |
| Effects from foreign exchange rates | 10,229 | -2,350 |
| General administration expenses | -24,771 | -17,673 |
| | -28,485 | -35,312 |

14. Other operating income

| | 2018/19 EUR'000 | 2019 EUR'000 |
|----------------|--------------------|-----------------|
| Value recovery | 4,049 | 0 |
| Other | 8,541 | 12,040 |
| | 12,590 | 12,040 |

The item "Other" mainly includes income from research premiums, energy tax rebates, various subsidies and compensation for damages.

15. Other operating expenses

| | 2018/19 EUR'000 | 2019 EUR'000 |
|------------|--------------------|-----------------|
| Impairment | -11,375 | 0 |
| Other | 793 | -1,339 |
| | -10,582 | -1,339 |

The item "Other" mainly includes expenses arising in connection with damages and changes in provisions.

16. Personnel costs

Expenses for termination benefits and benefits to corporate employee pension funds included payments to corporate employee pension funds of kEUR 1,730 (previous year: kEUR 2,003).

| | 2018/19 EUR'000 | 2019 EUR'000 |
|--|--------------------|-----------------|
| Wages and salaries | 154,648 | 123,372 |
| Expenses for statutory, compulsory social security contributions and benefits | 39,875 | 34,059 |
| Expenses for termination benefits and benefits to corporate employee pension funds | 3,002 | 2,285 |
| Pensions | 534 | 722 |
| Other social expenses | 5,216 | -2,283 |
| | 203,274 | 158,156 |

The number of full-time equivalent employees on the balance sheet date was as follows:

| | 28.02.2019 Number | 31.12.2019 Number |
|---------------------|----------------------|----------------------|
| Blue-collar | 2,160 | 2,088 |
| White-collar | 1,305 | 1,283 |
| | 3,465 | 3,371 |
| of which in Austria | 3,226 | 3,125 |
| of which abroad | 239 | 246 |

17. Depreciation

| | 2018/19 EUR'000 | 2019 EUR'000 |
|-------------------------------|--------------------|-----------------|
| Intangible assets | 890 | 765 |
| Property, plant and equipment | 14,955 | 18,030 |
| | 15,845 | 18,794 |

Please refer to Note 21 – Intangible assets and goodwill and Note 22 – Property, plant and equipment for information on the development of depreciation and amortization.

18. Financial result

| | 2018/19 EUR'000 | 2019 EUR'000 |
|--|--------------------|-----------------|
| Interest from bank deposits | 441 | 727 |
| Valuation of financial assets | 7 | 6 |
| Other financial income | 22 | 13 |
| Accumulation | 2,727 | 1,970 |
| Other financial result | 3,198 | 2,716 |
| Interest expenses of bonds and promissory note loans | -3,819 | -3,160 |
| Interest expenses of bank loans | -1,424 | -1,409 |
| Interest expenses of lease liabilities | -1,219 | -1,760 |
| Other interest and similar expenses | -3,587 | -4,088 |
| Financing expenses | -10,050 | -10,417 |
| Financial result | -6,852 | -7,701 |

The financial result is broken down according to the categories of IFRS 9 as follows:

| 28 February 2019 | Operating result | | | Financial result | | Net financial result EUR'000 |
|---|---------------------|----------------------|---|------------------|------------------------------------|---------------------------------|
| | Valuation allowance | Currency translation | Valuation of derivative financial instruments | Interests | Result from fair value measurement | |
| | EUR'000 | EUR'000 | EUR'000 | EUR'000 | EUR'000 | |
| Financial assets at amortized costs | -1,253 | 12,750 | 0 | 973 | 0 | 12,470 |
| Financial liabilities at amortized costs | 0 | -4,087 | 0 | -3,819 | 0 | -7,906 |
| Fair value through profit and loss | 0 | 0 | -5,274 | 0 | 0 | -5,274 |
| Fair value through other comprehensive income | 0 | 115 | 0 | 7 | 0 | 123 |
| 31 December 2019 | Operating result | | | Financial result | | Net financial result EUR'000 |
| | Valuation allowance | Currency translation | Valuation of derivative financial instruments | Interests | Result from fair value measurement | |
| | EUR'000 | EUR'000 | EUR'000 | EUR'000 | EUR'000 | |
| Financial assets at amortized costs | -1,719 | -41,706 | 0 | 254 | 0 | -43,171 |
| Financial liabilities at amortized costs | 0 | 21,863 | 0 | -4,569 | 0 | 17,293 |
| Fair value through profit and loss | 0 | 0 | 4,718 | 0 | 0 | 4,718 |
| Fair value through other comprehensive income | 0 | 0 | 0 | 6 | 0 | 6 |

19. Income taxes and deferred tax assets

Recorded income taxes include both taxes on income paid or owed by the individual companies as well as deferred taxes.

| | 2018/19 EUR'000 | 2019 EUR'000 |
|-----------------------|--------------------|-----------------|
| Current taxes ongoing | -634 | -1,008 |
| Deferred taxes | -5,780 | -4,825 |
| | -6,414 | -5,833 |

The reasons for the difference between the Austrian corporate tax rate of 25% valid in the 2019 short financial year (previous year: 25%) and the recorded group taxation rate are as follows:

| | 2018/19 EUR'000 | 2019 EUR'000 |
|---|--------------------|-----------------|
| Income before taxes | 36,753 | 26,910 |
| Calculated income taxes 25% | 9,188 | 6,728 |
| Deviating foreign tax rates | -93 | 98 |
| Tax losses for which no deferred taxes were capitalized | 0 | 98 |
| Tax-free income | -1,075 | -1,138 |
| Expenses that cannot be deducted for tax purposes | 94 | 399 |
| Prior year adjustment | 3 | -351 |
| Minimum corporate tax and withholding taxes | 0 | 0 |
| Tax effect from previous years | -2,159 | 0 |
| Other effects | 457 | 0 |
| Reported income tax expense | 6,414 | 5,833 |
| Effective tax rate in % | 17.5% | 21.7% |

Deferred taxes are calculated on the basis of the tax rates that are in force or announced in the individual countries according to the current legal situation. In Austria, a corporate tax rate of 25% applies. For foreign companies, deferred taxes are calculated on the basis of the corresponding country-specific tax rates. In the 2019 short financial year, these ranged from 21% to 27% (previous year: 21% to 35%).

The non-periodic income tax expense results from the alignment of the financial year (1 March to 28 February) with the tax year as a result of the change in the balance sheet date to 31 December 2019.

The taxes recorded in the other comprehensive income are as follows:

| | 2018/19 | | | 2019 | | |
|---|----------------|--------------|----------------|--------------|-------------|--------------|
| | Gross | Tax | Net | Gross | Tax | Net |
| | EUR'000 | EUR'000 | EUR'000 | EUR'000 | EUR'000 | EUR'000 |
| Fair value measurement of securities | -1 | 0 | -1 | 15 | -4 | 11 |
| Cash flow hedges | -13,948 | 3,487 | -10,461 | 3,954 | -988 | 2,965 |
| Revaluation effects of termination benefits | 383 | -96 | 287 | -98 | 24 | -73 |
| | -13,566 | 3,391 | -10,174 | 3,871 | -968 | 2,904 |

Deferred taxes developed as follows:

| | As of 28 February 2019 | | | | | |
|--|--|---------------------------------|---|--------------|------------------------|-----------------------------|
| | As of 1 March 2018 ¹⁾ | Change in profit and loss | Change in other com- prehensive income | Net | Deferred tax assets | Deferred tax liabilities |
| | EUR'000 | EUR'000 | EUR'000 | EUR'000 | EUR'000 | EUR'000 |
| Intangible assets | 2,527 | -1,879 | 0 | 648 | 648 | 0 |
| Property, plant and equipment | 2,912 | -13,499 | 0 | -10,587 | 0 | -10,587 |
| Receivables from customer-related engineering | -22,499 | -5,600 | 0 | -28,099 | 0 | -28,099 |
| Contract assets | -2,506 | -1,896 | 0 | -4,402 | 0 | -4,402 |
| Contract costs | -9,563 | -431 | 0 | -9,994 | 0 | -9,994 |
| Other financial assets | 450 | 26 | 0 | 477 | 477 | 0 |
| Trade receivables | 2,157 | 14,500 | 0 | 16,657 | 16,657 | 0 |
| Customer-related engineering | -5,796 | 5,717 | 0 | -79 | 0 | -79 |
| Other receivables and deferred items | 84 | -91 | 0 | -7 | 0 | -7 |
| Investment grants | -573 | 573 | 0 | 0 | 0 | 0 |
| Employee benefit obligations | -320 | 1,121 | -96 | 705 | 705 | 0 |
| Provisions | 1,111 | -1,201 | 0 | -90 | 0 | -90 |
| Contract liabilities from customer-related engineering | 10,678 | -6,350 | 0 | 4,328 | 4,328 | 0 |
| Trade payables | 8,882 | 2,455 | 0 | 11,337 | 11,337 | 0 |
| Derivative financial instruments | -1,612 | 774 | 3,487 | 2,649 | 2,649 | 0 |
| Other assets (incl. cash and cash equivalents) | -2,095 | 1,811 | 0 | -283 | 0 | -283 |
| Tax loss carryforwards | 26,202 | -1,810 | 0 | 24,392 | 24,392 | 0 |
| Tax assets (liabilities) before netting | 10,038 | -5,780 | 3,391 | 7,650 | 61,193 | -53,543 |
| Netting of taxes | | | | | -53,543 | 53,543 |
| Net tax assets (liabilities) | 10,038 | -5,780 | 3,391 | 7,650 | 7,650 | 0 |

¹⁾ See Annual Report 2018/19 Note 4 – Effects of the first-time application of IFRS 15 and IFRS 9.

| | As of 31 December 2019 | | | | | |
|--|--------------------------|---------------------------------|---|--------------|------------------------|-----------------------------|
| | As of 1 March 2019 | Change in profit and loss | Change in other com- prehensive income | Net | Deferred tax assets | Deferred tax liabilities |
| | EUR'000 | EUR'000 | EUR'000 | EUR'000 | EUR'000 | EUR'000 |
| Intangible assets | 648 | -369 | 0 | 279 | 279 | 0 |
| Property, plant and equipment | -10,587 | -5,173 | 0 | -15,760 | 0 | -15,760 |
| Receivables from customer-related engineering | -28,099 | 12,320 | 0 | -15,779 | 0 | -15,779 |
| Contract assets | -4,402 | 3,843 | 0 | -559 | 0 | -559 |
| Contract costs | -9,994 | -645 | 0 | -10,639 | 0 | -10,639 |
| Other financial assets | 477 | -50 | -4 | 423 | 423 | 0 |
| Trade receivables | 16,657 | -16,392 | 0 | 265 | 265 | 0 |
| Customer-related engineering | -79 | -330 | 0 | -409 | 0 | -409 |
| Inventories | 0 | 228 | 0 | 228 | 228 | 0 |
| Other receivables and deferred items | -7 | -35 | 0 | -42 | 0 | -42 |
| Investment grants | 0 | 0 | 0 | 0 | 0 | 0 |
| Employee benefit obligations | 705 | 2 | 24 | 731 | 731 | 0 |
| Provisions | -90 | -31 | 0 | -121 | 0 | -121 |
| Contract liabilities from customer-related engineering | 4,328 | -4,178 | 0 | 150 | 150 | 0 |
| Trade payables | 11,337 | 1,371 | 0 | 12,708 | 12,708 | 0 |
| Financial liabilities (without lease liabilities) | 0 | 8,393 | 0 | 8,393 | 8,393 | 0 |
| Derivative financial instruments | 2,649 | -1,180 | -988 | 481 | 481 | 0 |
| Other assets (incl. cash and cash equivalents) | -283 | -277 | 0 | -561 | 0 | -561 |
| Tax loss carryforwards | 24,392 | -2,322 | 0 | 22,070 | 22,070 | 0 |
| Tax assets (liabilities) before netting | 7,650 | -4,825 | -968 | 1,856 | 45,727 | -43,871 |
| Netting of taxes | | | | | -43,262 | 43,262 |
| Net tax assets (liabilities) | 7,650 | -4,825 | -968 | 1,856 | 2,465 | -609 |

The capitalized loss carryforwards originate from FACC Operations GmbH amounting to kEUR 77,161 as of 31 December 2019 (previous year: kEUR 90,729) and from FACC AG amounting to kEUR 11,119 (previous year: kEUR 11,082), with deferred taxes being recognized for all loss carryforwards. This includes losses in connection with the Fake President Incident which have not yet been assessed for tax. The realization of the loss carryforwards can be considered sufficiently certain on the basis of medium-term planning.

As of 31 December 2019, there were temporary differences in connection with shares in subsidiaries ("outside basis differences") amounting to kEUR 42,040 (previous year: kEUR 23,021) for which no deferred tax liabilities were recognized in accordance with IAS 12.39. This is because FACC AG is in a position to control the development over time, and because these temporary differences will not be eliminated in the near future.

Deferred tax liabilities result from the financial statements of foreign subsidiaries and are owed to foreign tax authorities.

20. Earnings per share

The number of shares issued as of the balance sheet date was 45,790,000. Since no dilutive potential ordinary shares were outstanding or treasury shares were held in the past short financial year, the diluted earnings per share correspond to the undiluted earnings per share.

Earnings per share of EUR 0.46 (previous year: EUR 0.66) were calculated by dividing the result by the weighted number of shares attributable to the shareholders of the parent company.

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In the Consolidated Statement of Comprehensive Income, income after taxes is reconciled with comprehensive income in accordance with IAS 1. This includes, in particular, differences from currency conversion, actuarial gains and losses from the measurement of performance-related long-term employee compensation, changes

in the hedging reserve and the valuation result of securities available for sale at "fair value through other comprehensive income (FVOCI)". The comprehensive income components are recorded after taxes.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

21. Intangible assets and goodwill

Intangible assets developed as follows:

| | Goodwill | Software | Rights | Research and development costs | Advance payment on intangible assets | Total |
|--|----------|----------|---------|--------------------------------|--------------------------------------|----------|
| | EUR'000 | EUR'000 | EUR'000 | EUR'000 | EUR'000 | EUR'000 |
| Historical costs | | | | | | |
| As of 28 February 2018 | 18,682 | 20,956 | 29,266 | 198,652 | 0 | 267,555 |
| First-time application of IFRS 15 | 0 | 0 | -27,257 | -198,652 | 0 | -225,909 |
| As of 1 March 2018 | 18,682 | 20,956 | 2,009 | 0 | 0 | 41,646 |
| Changes in foreign exchange rates | 18 | -2 | 0 | 0 | 0 | 16 |
| Additions | 0 | 839 | 0 | 318 | 0 | 1,156 |
| Transfers | 0 | 46 | 652 | 0 | 0 | 698 |
| As of 28 February 2019 | 18,700 | 21,838 | 2,661 | 318 | 0 | 43,516 |
| Changes in foreign exchange rates | -15 | -3 | 0 | 0 | 0 | -18 |
| Additions | 0 | 565 | 71 | 712 | 75 | 1,423 |
| Transfers | 0 | 148 | 0 | 0 | 0 | 148 |
| As of 31 December 2019 | 18,685 | 22,548 | 2,732 | 1,030 | 75 | 45,069 |
| Accumulated amortization and impairment | | | | | | |
| As of 28 February 2018 | 0 | 19,358 | 19,656 | 80,882 | 0 | 119,896 |
| First-time application of IFRS 15 | 0 | 0 | -17,692 | -80,882 | 0 | -98,575 |
| As of 1 March 2018 | 0 | 19,358 | 1,963 | 0 | 0 | 21,321 |
| Changes in foreign exchange rates | 0 | -3 | 0 | 0 | 0 | -3 |
| Amortization | 0 | 818 | 72 | 0 | 0 | 890 |
| As of 28 February 2019 | 0 | 20,172 | 2,035 | 0 | 0 | 22,207 |
| Changes in foreign exchange rates | 0 | 1 | 0 | 0 | 0 | 1 |
| Amortization | 0 | 699 | 66 | 0 | 0 | 765 |
| As of 31 December 2019 | 0 | 20,871 | 2,101 | 0 | 0 | 22,973 |
| Carrying amount as of 28 February 2019 | 18,700 | 1,666 | 625 | 318 | 0 | 21,309 |
| Carrying amount as of 31 December 2019 | 18,685 | 1,676 | 631 | 1,030 | 75 | 22,096 |

Goodwill

| | 28.02.2019 EUR'000 | 31.12.2019 EUR'000 |
|--------------------|-----------------------|-----------------------|
| Aerostructures | 10,310 | 10,296 |
| Engines & Nacelles | 3,054 | 3,054 |
| Cabin Interiors | 5,336 | 5,335 |
| | 18,700 | 18,685 |

FACC monitors its goodwill on the basis of three CGU groups corresponding to the individual segments.

The key assumptions when calculating the value in use are as follows:

| | 28.02.2019 | 31.12.2019 |
|---|------------|------------|
| Detailed planning period (five years) | | |
| Revenue growth (average) | 8.40% | 5.05% |
| EBIT margin (average) | 7.80% | 7.60% |
| EUR-USD exchange rate | 1.25 | 1.20 |
| Growth rate after detailed planning period for all CGUs | 1.50% | 2.50% |
| Discount rate for all CGUs (WACC before tax) | 11.70% | 10.52% |

A sensitivity analysis has shown that, depending on the development of the main valuation parameters, recognition of the following impairment losses would be required.

| Balance sheet date 28.02.2019 | Aero- structures EUR'000 | Engines & Nacelles EUR'000 | Cabin Interiors EUR'000 |
|---|--------------------------------|----------------------------------|-------------------------------|
| Increase of discount rate by 50 basis points | 0 | 4,640 | 5,718 |
| Increase in USD exchange rate per EUR 1 by 0.05 | 0 | 26,319 | 35,747 |
| Reduction of the EBIT by 10% | 0 | 10,334 | 14,070 |

| Balance sheet date 31.12.2019 | Aero- structures EUR'000 | Engines & Na- celles EUR'000 | Cabin Interiors EUR'000 |
|---|--------------------------------|------------------------------------|-------------------------------|
| Increase of discount rate by 50 basis points | 0 | 0 | 8,528 |
| Increase in USD exchange rate per EUR 1 by 0.05 | 0 | 0 | 68,787 |
| Reduction of the EBIT by 10% | 0 | 0 | 18,138 |
| Reduction growth rate to 1.50% | 0 | 0 | 0 |

The value in use of the Cabin Interiors segment exceeded the carrying amount by kEUR 8,837 as of 31 December 2019 (previous year: kEUR 5,540).

The carrying amount of the Cabin Interiors cash-generating unit would be equivalent to its value in use if the USD/EUR exchange rate increased by 0.57 cents (previous year: 0.67 cents), if EBIT fell by 3.35% (previous year: 2.83%) or if the discount rate increased by 25 basis points (previous year: 24 basis points).

Research and development expenses (which include company and customer-related development services) amounted to kEUR 59,474 in the 2019 short financial year (previous year: kEUR 61,085).

22. Property, plant and equipment

| | Properties and buildings | Technical facilities | Operating and office equipment | Facilities under construction | Rights of use ¹⁾ | Total |
|---|-----------------------------|-------------------------|--------------------------------------|-------------------------------------|-----------------------------|----------------|
| | EUR'000 | EUR'000 | EUR'000 | EUR'000 | EUR'000 | EUR'000 |
| Historical costs | | | | | | |
| As of 28 February 2018 | 106,932 | 206,621 | 27,766 | 14,632 | 0 | 355,950 |
| First-time application of IFRS 15 | 0 | -112,456 | 0 | -1,220 | 0 | -113,676 |
| As of 1 March 2018 | 106,932 | 94,165 | 27,766 | 13,412 | 0 | 242,275 |
| Changes in foreign exchange rates | 21 | 0 | 112 | 0 | 0 | 132 |
| Additions | 12,182 | 6,940 | 4,779 | 5,925 | 0 | 29,827 |
| Disposals | 0 | -3 | -1,432 | 0 | 0 | -1,435 |
| Transfers | 5,322 | 7,332 | 2,092 | -15,444 | 0 | -698 |
| As of 28 February 2019 | 124,457 | 108,434 | 33,317 | 3,893 | 0 | 270,101 |
| First-time application of IFRS 16 | 0 | 0 | 0 | 0 | 33,782 | 33,782 |
| Reclassification due to first-time application of IFRS 16 | -47,571 | -2,110 | 0 | 0 | 49,681 | 0 |
| As of 1 March 2019 | 76,886 | 106,324 | 33,317 | 3,893 | 83,463 | 303,882 |
| Changes in foreign exchange rates | 12 | 0 | 48 | 0 | -8 | 51 |
| Additions | 3,130 | 5,418 | 3,603 | 5,053 | 10,284 | 27,489 |
| Disposals | 0 | 0 | -621 | 0 | -13 | -634 |
| Transfers | 291 | 2,672 | 206 | -3,900 | 0 | -731 |
| As of 31 December 2019 | 80,319 | 114,414 | 36,553 | 5,045 | 93,725 | 330,057 |
| Accumulated amortization and impairment | | | | | | |
| As of 28 February 2018 | 29,527 | 132,895 | 19,824 | 0 | 0 | 182,246 |
| First-time application of IFRS 15 | 0 | -65,219 | 0 | 0 | 0 | -65,219 |
| As of 1 March 2018 | 29,527 | 67,677 | 19,824 | 0 | 0 | 117,028 |
| Changes in foreign exchange rates | 0 | 0 | 50 | 0 | 0 | 51 |
| Amortization | 3,630 | 8,101 | 3,224 | 0 | 0 | 14,955 |
| Disposals | 0 | 0 | -1,016 | 0 | 0 | -1,016 |
| As of 28 February 2019 | 33,157 | 75,778 | 22,082 | 0 | 0 | 131,017 |
| First-time application of IFRS 16 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reclassification due to first-time application of IFRS 16 | -5,265 | -352 | 0 | 0 | 5,617 | 0 |
| As of 1 March 2019 | 27,892 | 75,426 | 22,082 | 0 | 5,617 | 131,017 |
| Changes in foreign exchange rates | 0 | 0 | 20 | 0 | -1 | 19 |
| Amortization | 2,154 | 7,182 | 2,934 | 0 | 5,760 | 18,030 |
| Disposals | 0 | 0 | -620 | 0 | -4 | -624 |
| As of 31 December 2019 | 30,046 | 82,609 | 24,416 | 0 | 11,371 | 148,441 |
| Carrying amount as of 28 February 2019 | 91,300 | 32,656 | 11,235 | 3,893 | 0 | 139,084 |
| Carrying amount as of 31 December 2019 | 50,273 | 31,806 | 12,138 | 5,045 | 82,354 | 181,616 |

¹⁾ See Note 3 – Effects of the first-time application of IFRS 16

Property and buildings, as well as rights of use include land values of properties in the amount of kEUR 5,298 (previous year: kEUR 3,889). Certain properties and buildings serve as collaterals

for liabilities to financial institutions (see Note 38 – Financial liabilities).

The net book value of the finance leases used by FACC amounted to kEUR 44,064 as of 28 February 2019.

The obligations to purchase property, plant and equipment amounted to kEUR 10,587 (previous year: kEUR: 13,462) on the reporting date.

In addition, there were internally approved acquisitions in the amount of kEUR 19,817 (previous year: kEUR 34,153) which have not yet given rise to contractual obligations.

The rights of use developed as follows in the 2019 short financial year:

| | Properties and buildings EUR'000 | Technical facilities and vehicles EUR'000 | IT EUR'000 | Total EUR'000 |
|-----------------------------------|-------------------------------------|--|---------------|------------------|
| As of 1 March 2019 | 71,932 | 2,851 | 3,063 | 77,846 |
| Changes in foreign exchange rates | -7 | 0 | 0 | -7 |
| Additions | 4,044 | 5,488 | 752 | 10,285 |
| Disposals | 0 | -9 | 0 | -9 |
| Depreciation and amortization | -3,672 | -857 | -1,231 | -5,760 |
| As of 31 December 2019 | 72,297 | 7,472 | 2,584 | 82,354 |

23. Receivables from customer-related engineering

The development of receivables from customer-related engineering is as follows:

| | 28.02.2019 EUR'000 | 31.12.2019 EUR'000 |
|----------------------|-----------------------|-----------------------|
| As of 1 March | 89,996 | 86,053 |
| Changes in estimates | 2,757 | 596 |
| Partial settlements | -15,212 | -10,614 |
| Derecognition | -1,967 | 0 |
| Valuation allowance | -9 | -100 |
| Interest | 2,509 | 268 |
| Reclassification | 1,632 | 30,176 |
| Currency translation | 6,347 | 2,787 |
| | 86,053 | 109,166 |

Due to the low default rates in the past, the risk of non-payment can be considered negligible.

The value adjustment of receivables from customer-related engineering developed as follows:

| | 28.02.2019 EUR'000 | 31.12.2019 EUR'000 |
|----------------------|-----------------------|-----------------------|
| As of 1 March | 0 | 9 |
| Additions | 9 | 100 |
| | 9 | 109 |

24. Contract assets

Contract assets can be broken down as follows:

| | 28.02.2019 EUR'000 | 31.12.2019 EUR'000 |
|---------------------------------------|-----------------------|-----------------------|
| Development projects (period-related) | 12,581 | 4,364 |
| Payment to customers | 2,518 | 1,070 |
| | 15,099 | 5,433 |

The development of contract assets can be broken down as follows:

| | 28.02.2019 EUR'000 | 31.12.2019 EUR'000 |
|-------------------------------|-----------------------|-----------------------|
| As of 1 March | 10,025 | 15,099 |
| Additions due to PoC progress | 10,510 | 491 |
| Partial settlements | -2,269 | -10,211 |
| Derecognition | -2,121 | 0 |
| Interest | 218 | 20 |
| Reclassification | -1,632 | -1,452 |
| Currency translation | 368 | 1,486 |
| | 15,099 | 5,433 |

25. Contract costs

Contract costs can be broken down as follows:

| | 28.02.2019 EUR'000 | 31.12.2019 EUR'000 |
|-----------------------------|-----------------------|-----------------------|
| As of 1 March | 38,251 | 39,976 |
| Additions | 13,012 | 9,015 |
| Amortization contract costs | -8,048 | -6,327 |
| Value recovery | 4,049 | 0 |
| Impairment | -7,287 | 0 |
| | 39,976 | 42,665 |

In the 2019 short financial year, development projects capitalized as contract costs were subjected to an impairment test. The recoverable amount was determined on the basis of the value in use by applying the discounted cash flow method. The potential cash flows resulting from the respective development projects were determined on the basis of the budget approved by the Supervisory Board for the coming financial year and the medium-term planning for the next five years (detailed planning period). For the duration of specific development projects going beyond the detailed planning period, the planning assumptions of the last planning year were applied, limited by the rates published by Airline Monitor. The maximum term is 20 years.

The same discount rate (WACC) as was used for the impairment testing of goodwill was applied.

26. Other non-current financial assets

| | 28.02.2019 EUR'000 | 31.12.2019 EUR'000 |
|-----------------------------------|-----------------------|-----------------------|
| Securities measured at fair value | 413 | 428 |
| Shares | 44 | 44 |
| | 457 | 472 |

These shares refer to the 3.01% stake in Techno-Z Ried Technologiezentrum GmbH, Ried im Innkreis.

27. Non-current receivables from related companies

| | 28.02.2019 EUR'000 | 31.12.2019 EUR'000 |
|---|-----------------------|-----------------------|
| Non-current receivables in which the parent undertaking is involved | 6,156 | 5,633 |

28. Other receivables

The other receivables item consists of advance payments and deposits amounting to kEUR 8,838 (previous year: kEUR 8,657).

29. Inventories

| | 28.02.2019 EUR'000 | 31.12.2019 EUR'000 |
|--|-----------------------|-----------------------|
| Raw, auxiliary and operating materials | 67,311 | 67,320 |
| Unfinished products | 41,854 | 40,220 |
| Finished products | 14,216 | 14,783 |
| Advance payments made | 401 | 474 |
| | 123,781 | 122,798 |
| Gross inventories | 130,272 | 130,287 |
| Valuation allowance | 6,491 | 7,489 |
| Net inventories | 123,781 | 122,798 |

Inventories recorded as material expenses in the reporting period amount to kEUR 342,958 (previous year: kEUR 405,811).

It is expected that inventories with a carrying amount of kEUR 0 (previous year: kEUR 0) will only be realized after a period of twelve months.

As in the previous year, no inventories were assigned or pledged as collateral to secure financial instruments.

30. Customer-related engineering

| | 28.02.2019 EUR'000 | 31.12.2019 EUR'000 |
|----------------------|-----------------------|-----------------------|
| As of 1 March | 40,395 | 28,851 |
| Additions | 11,100 | 14,924 |
| Disposals | -22,644 | -35,060 |
| | 28,851 | 8,715 |

Customer-related engineering recorded as material expenses in the reporting period amounted to kEUR 9,265 (previous year: kEUR 5,214).

It is expected that customer-related engineering with a carrying amount of kEUR 0 (previous year: kEUR 1,489) will only be realized after a period of twelve months.

No customer-related engineering was assigned or pledged as collateral to secure financial instruments.

31. Trade receivables

| | 28.02.2019 EUR'000 | 31.12.2019 EUR'000 |
|------------------------------|-----------------------|-----------------------|
| Gross trade receivables | 101,515 | 101,610 |
| Less valuation allowance | -5,517 | -2,787 |
| Net trade receivables | 95,998 | 98,824 |
| of which current | 85,247 | 97,236 |
| of which non-current | 10,751 | 1,588 |

FACC maintains a non-recourse assignment agreement with a financial institution in connection with receivables from seven customers. The sold receivables (factoring) are derecognized in accordance with IFRS 9. Trade receivables were sold to third parties in the amount of kEUR 85,026 (previous year: kEUR 89,853) as of the reporting date.

The impairment of trade receivables developed as follows:

| | 28.02.2019 EUR'000 | 31.12.2019 EUR'000 |
|----------------------|-----------------------|-----------------------|
| As of 1 March | 4,273 | 5,248 |
| Additions | 1,831 | 1,310 |
| Reversal/use | -856 | -4,038 |
| | 5,248 | 2,520 |

In addition, a standardized value adjustment was made on the basis of the future probability of credit default required by IFRS 9, which had developed as follows:

| | 28.02.2019 EUR'000 | 31.12.2019 EUR'000 |
|----------------------|-----------------------|-----------------------|
| As of 1 March | 246 | 268 |
| Additions | 137 | 77 |
| Reversal/use | -114 | -78 |
| | 268 | 267 |

The value adjustment mainly concerns trade receivables and receivables from customer-related engineering:

| | Specific bad-debt allowance | | Standardized bad-debt allowance | |
|---|-----------------------------|-----------------------|---------------------------------|-----------------------|
| | 28.02.2019 EUR'000 | 31.12.2019 EUR'000 | 28.02.2019 EUR'000 | 31.12.2019 EUR'000 |
| Receivables from customer-related engineering | 0 | 0 | 9 | 109 |
| Contract assets | 0 | 0 | 0 | 0 |
| Trade receivables | 5,248 | 2,520 | 268 | 267 |
| Receivables from related companies | 0 | 0 | 0 | 0 |
| Other financial assets | 0 | 0 | 0 | 0 |

The gross carrying amounts of trade receivables, receivables from customer-related engineering, contract assets and other financial receivables were assessed as follows:

| | Gross amount | | Valuation allowance | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | 28.02.2019 EUR'000 | 31.12.2019 EUR'000 | 28.02.2019 EUR'000 | 31.12.2019 EUR'000 |
| Receivables from customer-related engineering | 86,062 | 109,275 | 9 | 109 |
| Contract assets | 15,099 | 5,433 | 0 | 0 |
| Trade receivables | 101,515 | 101,610 | 5,517 | 2,787 |
| Receivables from related companies (current and non-current) | 30,374 | 25,023 | 0 | 0 |
| Other financial liabilities (current and non-current) | 19,553 | 19,824 | 0 | 0 |

While trade receivables usually have payment periods of up to 90 days, some receivables from customer-related engineering as well as contract assets are subject to payment schedules including milestone payments.

Other receivables and deferred items include:

| | 28.02.2019 EUR'000 | 31.12.2019 EUR'000 |
|--|-----------------------|-----------------------|
| Other current financial assets | | |
| Receivables from the Fake President Incident | 10,860 | 10,860 |
| Other | 35 | 126 |
| | 10,895 | 10,986 |
| Other current non-financial assets | | |
| Other tax receivables (particularly VAT) | 22,795 | 17,561 |
| Deferred items | 2,366 | 2,088 |
| Other | 1,894 | 4,489 |
| | 27,054 | 24,139 |
| | 37,949 | 35,125 |

In the 2015/2016 reporting period, the Group lost kEUR 52,847 in cash flows as a result of an externally controlled case of fraud (Fake President Incident). As a result of directly initiated measures, we were able to block kEUR 10,860 to receiver accounts in China. Subsequently, the funds attributable to FACC Operations GmbH were retransferred to an account of the Republic of Austria in May 2019. On the basis of the legal opinion obtained and taking into account comparable facts that have already been decided in favor of the aggrieved parties, FACC Operations GmbH assumes that the funds can be expected to be transferred to FACC Operations GmbH within the next twelve months. The amount of kEUR 10,860 was therefore reported unchanged as a current other receivable as of the balance sheet date of 31 December 2019. Other receivables do not include any significant amounts of overdue receivables. Furthermore, no notable impairment was performed on these receivables.

32. Cash and cash equivalents

| | 28.02.2019 EUR'000 | 31.12.2019 EUR'000 |
|---------------|-----------------------|-----------------------|
| Bank deposits | 90,042 | 75,777 |
| Cash balance | 19 | 13 |
| | 90,062 | 75,790 |

33. Equity

The development of the Group's equity in the financial year 2018/19 and short financial year 2019 is shown in the Consolidated Statement of Changes in Equity.

The share capital of FACC AG amounted to kEUR 45,790 on the balance sheet date, is unchanged from the balance sheet date 28 February 2019, and is fully paid. It is divided into 45,790,000 shares with a par value of EUR 1 each.

The capital reserve, which remains unchanged from the balance sheet date 28 February 2019, amounts to kEUR 221,459.

Other reserves comprise the following items, all of which are recorded in other comprehensive income, with all effects attributable to the shareholders of FACC AG.

- **Currency translation reserve:** differences from currency conversion after taxes
- **Revaluation reserve at "fair value through other comprehensive income":** change in value of other financial assets recognized at fair value
- **Actuarial profits/losses:** revaluation effects in accounting for defined benefit obligations towards employees in accordance with IAS 19
- **Hedging reserve:** changes in value of hedging transactions; these hedging transactions are transactions in foreign currencies (cash flow hedges).

The hedging reserve (after taxes) developed as follows:

| | 28.02.2019 EUR'000 | 31.12.2019 EUR'000 |
|--|-----------------------|-----------------------|
| As of 1 March | 6,470 | -3,991 |
| Changes in unrealized profits (+)/losses (-) | -3,991 | -4,718 |
| Realized profits (+)/losses (-) subsequently reclassified to profit or loss – recognized in earnings before interest and taxes | -6,470 | 7,684 |
| | -3,991 | -1,026 |

The non-controlling interests refer to CoLT Prüf und Test GmbH, St. Martin, Austria, with a quota of 9%. The balance sheet total and earnings before taxes amount to less than 1% of the group values, which is why the presentation of aggregated financial information on subsidiaries with non-controlling interests has been dispensed with.

Capital management

The objective of capital management of FACC Group is to maintain a strong capital base in order to address specific corporate risks (growth and development risks) with a balanced capital structure. For management, only book equity under IFRS is considered capital. The objective is to achieve an equity ratio of at least 40%.

| | 28.02.2019 EUR'000 | 31.12.2019 EUR'000 |
|--------------------------|-----------------------|-----------------------|
| Equity | 298,971 | 316,127 |
| Balance sheet total | 725,790 | 739,434 |
| Equity ratio in % | 41.2% | 42.8% |

Certain loan agreements with banks contain financial covenants with regard to the Group's equity ratio, the non-compliance of which would lead to the premature repayment of financial liabilities. All relevant capital requirements were met in the year under review (see also Note 38 – Financial liabilities).

Dividend per share

| | Total EUR'000 | Number of shares | Dividend per share |
|--|------------------|---------------------|-----------------------|
| Dividend resolved for the financial year 2018/19 (Annual General Meeting of 09 July 2019) | 6,869 | 45,790,000 | 0.15 |
| Dividend proposed for the short financial year 2019 (Annual General Meeting of 26 June 2020) | 6,869 | 45,790,000 | 0.15 |

34. Investment grants

| | 28.02.2019 EUR'000 | 31.12.2019 EUR'000 |
|--------------------------------|-----------------------|-----------------------|
| Investment grants, current | 510 | 635 |
| Investment grants, non-current | 7,379 | 6,494 |
| | 7,889 | 7,128 |

Investment grants are usually subject to conditions which must be met over a certain period of time. These essentially involve a minimum number of employees and the obligation to ensure that the subsidized assets remain at the project location and are not disposed of.

35. Employee benefit obligations

| | 28.02.2019 EUR'000 | 31.12.2019 EUR'000 |
|----------------------|-----------------------|-----------------------|
| Termination benefits | 7,477 | 7,881 |
| Anniversary bonuses | 2,383 | 2,776 |
| | 9,860 | 10,657 |

In the 2020 financial year, the expected payments from termination benefit and anniversary bonus obligations towards employees will amount to kEUR 0 and kEUR 25, respectively.

Termination benefits

The net liabilities under defined benefit plans for termination benefits developed as follows:

| | 28.02.2019 EUR'000 | 31.12.2019 EUR'000 |
|-----------------------------------|-----------------------|-----------------------|
| As of 1 March | 7,449 | 7,477 |
| Service cost | 270 | 345 |
| Interest expenses | 134 | 98 |
| Termination benefit payments | -493 | -282 |
| Revaluation effects in the period | -383 | 98 |
| Other effects | 500 | 145 |
| | 7,477 | 7,881 |
| Duration in years | 14.34 | 14.75 |

The revaluation effects are composed of the following factors:

| | 28.02.2019 EUR'000 | 31.12.2019 EUR'000 |
|---|-----------------------|-----------------------|
| Changes in expected values | 172 | -177 |
| Changes in underlying demographic assumptions | -751 | -121 |
| Changes in underlying financial assumptions | 196 | 396 |
| | -383 | 98 |

All legal transitional regulations relating to retirement age have been taken into account. All expenses in connection with termination benefits are recorded under "Cost of goods sold", "Research and development expenses", as well as "Selling expenses" and "Administration expenses".

The valuation is based on the following assumptions:

| | 28.02.2019 | 31.12.2019 |
|--|-------------|---------------|
| Discounting interest rate | 1.70% | 1.30% |
| Salary increases | 2.00% | 2.00% |
| Fluctuations of salaried staff/employees | 3.93%/6.71% | 3.57%/6.99% |
| Retirement age for women/men | 60/65 years | 65/individual |
| Life expectancy | AVÖ 2018-P | AVÖ 2018-P |

An increase or decrease in the discount rate of 0.25 percentage points would change the obligation as follows:

| | Decrease by 0.25 percentage points EUR'000 | Increase by 0.25 percentage points EUR'000 |
|--|---|---|
| Change in obligations as of 28 February 2019 | 328 | -313 |
| Change in obligations as of 31 December 2019 | 356 | -340 |

Anniversary bonuses

| | 28.02.2019 EUR'000 | 31.12.2019 EUR'000 |
|-----------------------------------|-----------------------|-----------------------|
| As of 1 March | 1,819 | 2,383 |
| Service cost | 285 | 285 |
| Interest expenses | 33 | 32 |
| Termination benefit payments | -3 | -31 |
| Revaluation effects in the period | 249 | 107 |
| | 2,383 | 2,776 |

In the 2019 short financial year, kEUR 2,285 (previous year: kEUR 2,295) were paid into defined contribution plans (pension fund and employee pension fund in Austria).

36. Contract liabilities from customer-related engineering

Contract liabilities consist of advance payments received and relate to tool and development activities. The amount of kEUR 17,312 (previous year: kEUR 7,907) reported under contract liabilities at the beginning of the period was recognized as sales revenue of kEUR 9,254 (previous year: kEUR 6,586) in the 2019 short financial year.

All expenses in connection with anniversary bonuses are recorded under "Cost of goods sold", "Research and development expenses", as well as "Selling expenses" and "Administration expenses".

37. Other provisions

| | As of 01.03.2018 EUR'000 | Additions EUR'000 | Use EUR'000 | Disposal EUR'000 | Accumula- tion EUR'000 | As of 28.02.2019 EUR'000 | Term | |
|---|--------------------------------|----------------------|----------------|---------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | | | | | | | Less than 1 year EUR'000 | More than 1 year EUR'000 |
| Provision for warranty claims | 4,075 | 1,443 | -728 | -973 | 0 | 3,816 | 3,816 | 0 |
| Project-related provisions | 8,819 | 4 | -8,698 | -149 | 35 | 12 | 0 | 12 |
| Provisions for legal and other disputes | 781 | 148 | -108 | -427 | 0 | 393 | 393 | 0 |
| Other | 4,393 | 2,708 | -3,923 | -768 | 0 | 2,411 | 2,411 | 0 |
| | 18,068 | 4,303 | -13,457 | -2,317 | 35 | 6,632 | 6,621 | 12 |

| | As of 01.03.2019 EUR'000 | Additions EUR'000 | Use EUR'000 | Disposal EUR'000 | Accumula- tion EUR'000 | As of 31.12.2019 EUR'000 | Term | |
|---|--------------------------------|----------------------|----------------|---------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | | | | | | | Less than 1 year EUR'000 | More than 1 year EUR'000 |
| Provision for warranty claims | 3,816 | 251 | -1,308 | -2,072 | 0 | 688 | 688 | 0 |
| Project-related provisions | 12 | 0 | 0 | -12 | 0 | 0 | 0 | 0 |
| Provisions for legal and other disputes | 393 | 44 | -202 | -128 | 0 | 108 | 108 | 0 |
| Other | 2,411 | 916 | -1,989 | -1,254 | 0 | 84 | 84 | 0 |
| | 6,632 | 1,211 | -3,498 | -3,466 | 0 | 879 | 879 | 0 |

Other provisions include provisions for personnel-related matters of kEUR 0 (previous year: kEUR 1,585).

Accruals in connection with warranty claims are recognized exclusively for specific obligations.

38. Financial liabilities

| | Carrying amount 28.02.2019 EUR'000 | Remaining term | | | | Nominal interest in % |
|---|--|--|---------------------------------------|---------------------------------------|---|---------------------------|
| | | Less than 1 year 28.02.2019 EUR'000 | 1 to 2 years 28.02.2019 EUR'000 | 3 to 5 years 28.02.2019 EUR'000 | More than 5 years 28.02.2019 EUR'000 | |
| Promissory note loans | | | | | | |
| Fixed interest rate (nominal capital: kEUR 15,000) | 15,000 | 15,000 | 0 | 0 | 0 | 3.70 |
| Variable interest rate (nominal capital: kEUR 19,000) | 19,000 | 19,000 | 0 | 0 | 0 | 6M-Euribor + 2.25 |
| Bond FACC Operations GmbH | | | | | | |
| Fixed interest rate (nominal capital: kEUR 90,000) | 89,769 | 0 | 89,769 | 0 | 0 | 4.00 |
| Liabilities towards credit institutions | | | | | | |
| Fixed interest rate | 65,996 | 10,168 | 12,668 | 14,386 | 28,774 | 0.50 to 4.83 |
| Variable interest rate | 55,404 | 52,317 | 1,027 | 2,060 | 0 | 3M-Euribor + 0.80 to 1.75 |
| Lease liabilities | | | | | | |
| Fixed interest rate | 1,808 | 263 | 267 | 827 | 450 | 1.50 to 1.55 |
| Variable interest rate | 18,404 | 529 | 537 | 1,663 | 15,675 | 6M-Euribor + 1.95 |
| Other interest-bearing liabilities | 5,538 | 5,744 | 0 | -206 | 0 | 0.50 to 4.83 |
| | 270,920 | 103,021 | 104,269 | 18,731 | 44,899 | |

| | Carrying amount 31.12.2019 EUR'000 | Remaining term | | | | Nominal interest in % |
|---|--|--|---------------------------------------|---------------------------------------|---|---------------------------|
| | | Less than 1 year 31.12.2019 EUR'000 | 1 to 2 years 31.12.2019 EUR'000 | 3 to 5 years 31.12.2019 EUR'000 | More than 5 years 31.12.2019 EUR'000 | |
| Promissory note loans | | | | | | |
| Fixed interest rate (nominal capital: kEUR 29,500) | 29,500 | 0 | 0 | 16,500 | 13,000 | 1.10 to 1.648 |
| Variable interest rate (nominal capital: kEUR 40,500) | 40,500 | 0 | 0 | 8,000 | 32,500 | 6M-Euribor + 1.10 to 1.30 |
| Bond FACC Operations GmbH | | | | | | |
| Fixed interest rate (nominal capital: kEUR 90,000) | 89,916 | 89,916 | 0 | 0 | 0 | 4.00 |
| Liabilities towards credit institutions | | | | | | |
| Fixed interest rate | 55,919 | 14,220 | 4,743 | 14,503 | 24,011 | 1.00 to 4.83 |
| Variable interest rate | 3,107 | 1,047 | 1,027 | 1,033 | 0 | 3M-Euribor + 1.00 to 1.75 |
| Lease liabilities | | | | | | |
| Fixed interest rate | 41,390 | 4,087 | 4,862 | 12,350 | 18,533 | 1.45 to 1.6222 |
| Variable interest rate | 17,964 | 536 | 544 | 1,685 | 15,199 | 6M-Euribor + 1.95 |
| Other interest-bearing liabilities | 10,726 | 10,726 | 0 | 0 | 0 | 1.00 to 4.83 |
| | 289,022 | 120,532 | 11,176 | 54,071 | 103,243 | |

Accrued interest expenses are included in current financial liabilities.

Certain liabilities to financial institutions are secured by mortgages on company real estate, guarantees provided by AWS, state

guarantees for loans and chattel mortgages on machinery. The export credit under the Kontrollbank scheme is secured by export receivables in the amount of 120% of the framework provided. In order to benefit from beneficial interest rates for research promotion loans, certain conditions must be met. The guarantee for certain

liabilities to financial institutions in connection with land and buildings amounted to kEUR 15,966 (previous year: kEUR 15,966).

As issuer of the bond, FACC Operations GmbH has provided covenants regarding the amount of distributed dividends based on annual earnings and the equity ratio, which may not fall below a certain value due to the payment of dividends. Thus, no more than 50% of the annual earnings may be distributed to shareholders. In addition, the equity ratio must not fall below 30% as a result of dividend payments. In the event that the issuer fails to comply with these covenants, creditors are entitled to terminate the agreement.

On 29 August 2018, FACC Operations GmbH subscribed to a syndicated loan of kEUR 225,000 with seven participating banks. FACC AG acts as guarantor. The existing short-term lines of credit, which can be terminated at any time, were bundled and expanded under a single contract. The syndicated loan has a term of five years plus a two-year extension option. The contract contains four financing facilities with different intended uses. All facilities, with the exception of the funding framework provided by the Oesterreichische Kontrollbank AG, which is also part of the syndicated loan agreement, are unsecured. Net Financial Debt/EBITDA < 3.5 was defined as the financial covenant. Due to the proven effects of changed accounting standards (IFRS 15, IFRS 16) the limit was increased from 3.5 to 4.0 with effect from 31 August 2019 in agreement with the syndicate banks.

The ratio is assessed every six months. The creditors have the right to terminate the agreement in the event that this ratio is exceeded.

All covenants were fulfilled as of 31 December 2019 and 28 February 2019, respectively.

On 31 July 2019, new promissory note loans totaling kEUR 70,000 were issued. The individual tranches carry both fixed and variable interest rates and are due for repayment after five, seven and ten years. The financing agreements contain an interest rate increase clause of 50 basis points if Net Debt/EBITDA exceeds 3.75. The ratio is tested annually.

The present value of the minimum lease payments is as follows:

| | 28.02.2019 EUR'000 | 31.12.2019 EUR'000 |
|--|-----------------------|-----------------------|
| Up to one year | 1,264 | 7,381 |
| Two to five years | 4,998 | 23,558 |
| More than five years | 18,790 | 40,159 |
| | 25,052 | 71,098 |
| Less future financing expenses | -4,839 | -11,744 |
| Present value of liabilities from finance lease | 20,212 | 59,354 |

In the short financial year, the following amounts relating to leases were recognized in profit or loss:

| | 31.12.2019 EUR'000 |
|---|-----------------------|
| Depreciation expense of rights of use assets | -5,760 |
| Interest expense on lease liabilities | -1,760 |
| Expense relating to short-term leases (included in cost of sales) | -356 |
| Expense relating to leases of low-value assets | -11 |
| Total amount recognized in profit or loss | -7,887 |

The total cash outflows for leases amounted to kEUR 5,280 in the short financial year 2019.

39. Other current liabilities

| | 28.02.2019 EUR'000 | 31.12.2019 EUR'000 |
|--|-----------------------|-----------------------|
| Other current financial liabilities | | |
| Liabilities to personnel | 11,629 | 10,160 |
| Other | 5 | 3 |
| | 11,633 | 10,163 |
| Other current non-financial liabilities | | |
| Liabilities from social security | 4,095 | 4,389 |
| Liabilities to tax authorities | 149 | 271 |
| Deferred items | 485 | 398 |
| Other | 5,055 | 3,773 |
| | 9,784 | 8,831 |
| | 21,417 | 18,994 |

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

The Consolidated Statement of Cash Flows of FACC illustrates how cash and cash equivalents have changed in the course of the reporting year through cash inflows and outflows. Cash and cash equivalents (fund of cash and cash equivalents) include cash balances, checks received and bank balances available at all times.

40. Other non-cash expenses/income

In the Consolidated Statement of Cash Flows changes in the presented balance sheet items cannot be derived directly from the balance sheet as non-cash effects from currency translation and other non-cash business transactions are neutralized. Non-cash expenses and income essentially comprise:

| | 2018/19 EUR'000 | 2019 EUR'000 |
|--|--------------------|-----------------|
| Effects from foreign exchange rates | -12,171 | -5,822 |
| Measurement of derivatives in earnings before interest and tax | 10,558 | -4,718 |
| Recognition of deferred tax assets/liabilities | 2,975 | -2,469 |
| Impairment on inventories | 520 | 998 |
| Ascription contract costs | -4,049 | 0 |
| Remaining other non-cash expenses/income | 393 | 82 |
| | -1,773 | -11,929 |

The remaining other non-cash expenses/income mainly include impairments of receivables.

| | Carrying amount 01.03.2018 EUR'000 | Cash change | Non-cash change | | | Carrying amount 28.02.2019 EUR'000 |
|---|--|-------------------|--------------------------|------------------------------|------------------|--|
| | | Change EUR'000 | Finance lease EUR'000 | Transaction costs EUR'000 | Other EUR'000 | |
| Promissory note loans (current and non-current) | 34,000 | 0 | 0 | 0 | 0 | 34,000 |
| Bond | 89,589 | 0 | 0 | 179 | 0 | 89,768 |
| Other financial liabilities (current and non-current) | 121,854 | 15,055 | 9,220 | 0 | 1022 | 147,151 |
| | 245,443 | 15,055 | 9,220 | 179 | 1,022 | 270,919 |

| | Carrying amount 01.03.2019 EUR'000 | Cash change | Non-cash change | | | Carrying amount 31.12.2019 EUR'000 |
|---|--|-------------------|------------------------------|------------------------------|------------------|--|
| | | Change EUR'000 | Lease liabilities EUR'000 | Transaction costs EUR'000 | Other EUR'000 | |
| Promissory note loans (current and non-current) | 34,000 | 36,000 | 0 | 0 | 0 | 70,000 |
| Bond | 89,769 | 0 | 0 | 147 | 0 | 89,916 |
| Other financial liabilities (current and non-current) | 126,939 | -57,306 | 0 | 0 | 119 | 69,752 |
| Lease liabilities (current and non-current) | 53,994 | -4,913 | 10,285 | 0 | -11 | 59,354 |
| | 304,701 | -26,219 | 10,285 | 147 | 108 | 289,022 |

41. Interest received and interest paid

In the 2019 short financial year, all interest received was recognized under other financial result.

In the 2019 short financial year, all interest paid was recorded to profit or loss under financing expenses.

42. Non-cash payments for the acquisition of non-current assets

The addition in connection with the first-time application of IFRS 16 for rights of use in the amount of kEUR 33,782 and for lease liabilities in the amount of kEUR 33,782 was recognized as a non-cash investment in the short financial year 2019.

Additions to technical equipment in the 2019 short financial year included investments of kEUR 5,308 (previous year: kEUR 10,000) as additions from non-cash leases.

Additions to land and buildings in the 2019 short financial year included investments of kEUR 0 (previous year: kEUR 0) as additions from non-cash leases.

In the course of the 2019 short financial year, the FACC Group acquired assets that were not yet included in the cash flow as they had not been (fully) paid as of the balance sheet date. At the same time, liabilities from capital investments that had already been acquired in the previous year and are therefore included in the cash flow of this financial year were repaid. This resulted in a decrease in the cash flow from investments of kEUR 356 in the 2019 short financial year (previous year: increase of kEUR 211).

NOTES TO FINANCIAL INSTRUMENTS

43. Determination of fair value

The fair value of financial instruments is determined in three steps, which reflect the degree of certainty of measurement. FACC employs the following hierarchy levels to assign a valuation method to financial instruments measured at fair value:

Level 1: valuation based on market prices for a specific financial instrument

Level 2: valuation by means of market prices for similar instruments or valuation models based exclusively on valuation parameters observable on the market

Level 3: valuation based on models with significant valuation parameters that are not observable on the market

The following tables show the valuation techniques used in determining fair values as well as the most significant unobservable input factors used:

| Type | Valuation method | Significant non-observable input factors | Connection between significant non-observable input factors and fair value measurement |
|---|--|--|--|
| Financial instruments measured at fair value | | | |
| Securities (quoted) | Current stock market price on the balance sheet date | Not applicable | Not applicable |
| Forward exchange transactions | The fair value is determined using quoted forward rates on the reporting date and net present value calculations based on yield curves with high credit ratings in corresponding currencies. | Not applicable | Not applicable |
| Financial instruments not measured at fair value | | | |
| Bonds | Current stock market price on the balance sheet date | Not applicable | Not applicable |
| Other interest-bearing liabilities | Discounting of cash flows | Risk premium for own credit risk | Not applicable |

No shifts occurred between the individual valuation levels in the short financial year.

category in accordance with IFRS 9, including their positions in the fair value hierarchy.

44. Classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities by class and measurement

Information on the fair value of financial assets and financial liabilities which have not been measured at fair value is omitted if the carrying amount constitutes a reasonable approximation of the fair value.

| | Carrying amount 28.02.2019 EUR'000 | Fair value | | | |
|--|--|--------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | Total 28.02.2019 EUR'000 | Level 1 28.02.2019 EUR'000 | Level 2 28.02.2019 EUR'000 | Level 3 28.02.2019 EUR'000 |
| Valuation at amortized cost | | | | | |
| Other financial assets – securities (unquoted) | 44 | 0 | 0 | 0 | 0 |
| Receivables from related companies, non-current | 6,156 | 0 | 0 | 0 | 0 |
| Other receivables | 8,657 | 0 | 0 | 0 | 0 |
| Trade receivables | 89,430 | 0 | 0 | 0 | 0 |
| Receivables from related companies, current | 24,218 | 0 | 0 | 0 | 0 |
| Other receivables and assets | 10,895 | 0 | 0 | 0 | 0 |
| Cash and cash equivalents | 90,062 | 0 | 0 | 0 | 0 |
| | 229,462 | 0 | 0 | 0 | 0 |
| Fair value through other comprehensive income | | | | | |
| Trade receivables (within factoring) | 6,568 | 6,568 | 6,568 | 0 | 0 |
| Other financial assets – securities (quoted) | 413 | 413 | 413 | 0 | 0 |
| | 6,981 | 6,981 | 6,981 | 0 | 0 |
| Valuation at amortized cost | | | | | |
| Financial liabilities | 270,920 | 274,499 | 93,348 | 0 | 181,151 |
| Trade payables | 74,819 | 0 | 0 | 0 | 0 |
| Liabilities towards related companies | 4,623 | 0 | 0 | 0 | 0 |
| Other financial liabilities | 11,633 | 0 | 0 | 0 | 0 |
| | 361,995 | 274,499 | 93,348 | 0 | 181,151 |
| Fair value through profit and loss | | | | | |
| Derivative financial instruments | 10,596 | 10,596 | 0 | 10,596 | 0 |
| | 10,596 | 10,596 | 0 | 10,596 | 0 |

| | Carrying amount 31.12.2019 EUR'000 | Fair value | | | |
|--|--|--------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | Total 31.12.2019 EUR'000 | Level 1 31.12.2019 EUR'000 | Level 2 31.12.2019 EUR'000 | Level 3 31.12.2019 EUR'000 |
| Valuation at amortized cost | | | | | |
| Other financial assets – securities (unquoted) | 44 | 0 | 0 | 0 | 0 |
| Receivables from related companies, non-current | 5,633 | 0 | 0 | 0 | 0 |
| Other receivables | 8,838 | 0 | 0 | 0 | 0 |
| Trade receivables | 98,824 | 0 | 0 | 0 | 0 |
| Receivables from related companies, current | 19,390 | 0 | 0 | 0 | 0 |
| Other receivables and assets | 10,986 | 0 | 0 | 0 | 0 |
| Cash and cash equivalents | 75,790 | 0 | 0 | 0 | 0 |
| | 219,506 | 0 | 0 | 0 | 0 |
| Fair value through other comprehensive income | | | | | |
| Trade receivables (within factoring) | 0 | 0 | 0 | 0 | 0 |
| Other financial assets – securities (quoted) | 428 | 428 | 428 | 0 | 0 |
| | 428 | 428 | 428 | 0 | 0 |
| Valuation at amortized cost | | | | | |
| Financial liabilities (without lease liabilities) | 229,668 | 231,354 | 91,602 | 0 | 139,752 |
| Trade payables | 83,465 | 0 | 0 | 0 | 0 |
| Liabilities towards related companies | 4,508 | 0 | 0 | 0 | 0 |
| Other financial liabilities | 10,163 | 0 | 0 | 0 | 0 |
| | 327,804 | 231,354 | 91,602 | 0 | 139,752 |
| Fair value through profit and loss | | | | | |
| Derivative financial instruments | 1,924 | 1,924 | 0 | 1,924 | 0 |
| | 1,924 | 1,924 | 0 | 1,924 | 0 |

45. Derivative financial instruments and hedge accounting

The hedging strategies employed by the Group's treasury and risk management department are designed to control and minimize the impact of exchange rate fluctuations. The Management Board approves the strategies and reports regularly to the Supervisory Board.

The risk management conducted by the Group's treasury and risk management department pursues the objective of hedging at least 80% of expected net cash flows in USD (from revenues and purchases of raw materials) for the next twelve months (on a rolling monthly basis) (hedge ratio). If market levels are favorable, hedging periods can be extended to up to 36 months. The Group generally does not use derivative financial instruments for speculative purposes.

Derivative financial instruments are used to hedge net cash flows in USD. Forward exchange transactions qualifying as hedges are recorded as cash flow hedges according to IFRS 9. Forward exchange transactions which are not recorded as cash flow hedges are recorded as free-standing derivatives of the category "at fair value through profit or loss".

Forward exchange transactions (cash flow hedges) are recognized in other comprehensive income until the future proceeds arising from the hedged item, for which they have been designated, are recognized in the balance sheet. Forward exchange transactions are recognized in revenues at their fair values upon initial recognition to profit or loss. Subsequent measurement is recorded under other operating income/expenses. Once the forward exchange transactions have been redeemed, they are then subsequently de-recognized, usually within a maximum period of 36 months from the balance sheet date.

Under hedge accounting, future cash receipts in the amount of the Net-Exposure in USD from particular orders already contracted or future transactions, which are expected to occur with a high probability, are designated as hedged items together with the related forward exchange transactions, which are designated as hedging instruments.

The economic relationship between the hedged item and the hedging instrument is determined by comparing the various risk factors with an impact on their respective values. If the critical terms of the hedged item and the hedging instrument are completely or nearly identical, the underlying economic relationship can be demonstrated using the critical terms match method. In all other cases, depending on the extent to which the critical terms differ,

either sensitivity analyses or variations of the dollar-offset methods are used to demonstrate the effectiveness of the hedging relationship.

Deviations between the critical terms of the hedged item and the hedging instrument can give rise to inefficiencies. With foreign currency hedging, a mismatch between the time of receipt of the cash flows from the hedged item and the settlement of the forward exchange transactions designated as hedging instruments is an example of such inefficiency. Beyond that, no other sources of inefficiency exist.

Since the underlying values of the hedged item and the hedging instrument are always the same, the hedge ratio reported in the balance sheet is always 1:1, i.e. the designated quantity or volume of the hedging instrument corresponds to the designated quantity or volume of the hedged item. Adjustments are made to the balance sheet hedge ratio if the hedge ratio is unbalanced, which could give rise to inefficiencies leading to accounting consequences inconsistent with the purpose of hedge accounting.

Derivative financial instruments with a negative market value

| | Carrying amount 28.02.2019 EUR'000 | Remaining term | |
|--|--|--|--------------------------------------|
| | | Less than 1 year 28.02.2019 EUR'000 | Over 1 year 28.02.2019 EUR'000 |
| Forward exchange transactions with negative fair value | 10,596 | 10,532 | 64 |

| | Carrying amount 31.12.2019 EUR'000 | Remaining term | |
|--|--|--|--------------------------------------|
| | | Less than 1 year 31.12.2019 EUR'000 | Over 1 year 31.12.2019 EUR'000 |
| Forward exchange transactions with negative fair value | 1,924 | 1,910 | 14 |

The contract volume of foreign currency derivatives is broken down by maturity as follows:

| | Currency | Volume in thousands | Remaining term | | |
|---|----------|------------------------|-------------------------------------|------------------------------|------------------------------|
| | | | Less than 1 year in thousands | 1 to 2 years in thousands | 3 to 5 years in thousands |
| As of 28 February 2019: Foreign currency derivatives | USD | 230,000 | 190,000 | 40,000 | 0 |
| As of 31 December 2019: Foreign currency derivatives | USD | 335,000 | 265,000 | 70,000 | 0 |

The following tables provide information on the forward exchange transactions designated as hedging instruments at the end of the reporting period as well as on the associated hedged items

| Cash flow hedges (OCI) | | Average exchange rate | Notional value in foreign currency | Notional value in local currency | Change in fair value used for calculating hedge ineffectiveness | Fair value |
|------------------------|------------|-----------------------------|--|--|---|------------|
| 28.02.2019 | Instrument | | | | | |
| | | | USD'000 | EUR'000 | EUR'000 | EUR'000 |
| Sell USD, buy EUR | FX Forward | 1.2084 | 160,000 | 132,410 | -5,322 | -5,322 |

| Cash flow hedges (OCI) | | Average exchange rate | Notional value in foreign currency | Notional value in local currency | Change in fair value used for calculating hedge ineffectiveness | Fair value |
|------------------------|------------|-----------------------------|--|--|---|------------|
| 31.12.2019 | Instrument | | | | | |
| | | | USD'000 | EUR'000 | EUR'000 | EUR'000 |
| Sell USD, buy EUR | FX Forward | 1.1502 | 275,000 | 239,099 | -1,368 | -1,368 |

| | | Change in value used for calculating hedge ineffectiveness | | Carrying amount cash flow hedge reserve | |
|-------------------|--|---|-----------------------|--|-----------------------|
| | | 28.02.2019 EUR'000 | 31.12.2019 EUR'000 | 28.02.2019 EUR'000 | 31.12.2019 EUR'000 |
| Sell USD, buy EUR | | 5,322 | 1,368 | -3,991 | -1,026 |

The following table shows the effectiveness of the hedging relationships and the amounts reclassified from the cash flow hedge reserve to the Profit and Loss Statement:

| | Current period hedging gains (losses) recognized in OCI | | Amount reclassified to profit and loss | | Line item in profit and loss in which reclassification adjustment is included |
|-------------------|---|-----------------------|--|-----------------------|---|
| | 28.02.2019 EUR'000 | 31.12.2019 EUR'000 | 28.02.2019 EUR'000 | 31.12.2019 EUR'000 | |
| Sell USD, buy EUR | -5,322 | -1,368 | -5,274 | 4,718 | Revenues |

46. Financial risk

In addition to financing risks, FACC's operational business is also exposed to interest rate and currency risks. The Group's overall risk management focuses on the unpredictability of developments on the financial markets and aims to minimize potentially negative effects on the Group's financial position.

The Group's Treasury & Risk department identifies, evaluates and hedges financial risks in close collaboration with the Group's operating units.

Currency risk

While the vast majority of sales by FACC Group companies are transacted in USD, a significant part of the costs are incurred in currencies other than USD, notably in EUR.

The following table shows the composition of receivables and other assets as well as liabilities by currency.

| | 28.02.2019 EUR'000 | 31.12.2019 EUR'000 |
|---|-----------------------|-----------------------|
| Receivables from customer-related engineering | 86,053 | 109,166 |
| Contract assets | 15,099 | 5,433 |
| Receivables from related companies, non-current | 6,156 | 5,633 |
| Other receivables | 8,657 | 8,838 |
| Trade receivables, current | 95,998 | 98,824 |
| Receivables from related companies, current | 24,218 | 19,390 |
| Other receivables and assets | 37,949 | 35,125 |
| Cash and cash equivalents | 90,062 | 75,790 |
| | 364,193 | 358,199 |
| US dollar | 227,601 | 222,793 |
| EUR | 136,592 | 135,406 |
| | 364,193 | 358,199 |

| | 28.02.2019 EUR'000 | 31.12.2019 EUR'000 |
|---------------------------------------|-----------------------|-----------------------|
| Financial liabilities | 270,920 | 289,022 |
| Trade payables | 74,819 | 83,465 |
| Liabilities towards related companies | 4,623 | 4,508 |
| Other financial liabilities | 11,633 | 10,163 |
| | 361,995 | 387,158 |
| US dollar | 36,304 | 83,787 |
| EUR | 325,691 | 303,372 |
| | 361,995 | 387,158 |

Detrimental changes in foreign exchange rates, in particular in the USD-EUR exchange rate, would therefore produce substantial adverse effects on FACC's business, operating income and financial position. FACC makes use of derivative financial instruments, such as currency options and forward exchange transactions, to hedge against adverse changes in the USD-EUR exchange rate, which can potentially give rise to losses.

Sensitivity analyses showing the effects of hypothetical changes in exchange rates on the Consolidated Profit and Loss Statement and equity were carried out for the currency risks of financial instruments. In accordance with IFRS 7, currency risks result from financial instruments of a monetary nature that are not denominated in the reporting company's functional currency. As a consequence, receivables, liabilities, cash and foreign currency derivatives serve as the basis for calculating the sensitivity of the Consolidated Profit and Loss Statement. The sensitivity of equity also reflects the valuation effects of the cash flow hedges for foreign currency risks recorded in other comprehensive income. Translation differences from the translation of financial statements prepared in a currency other than the Group currency were not included in the calculation.

A 5% change in the EUR-USD exchange rate would produce the following effects:

| Revaluation (+)/devaluation (-) | 5% devaluation | | 5% revaluation | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 28.02.2019 EUR'000 | 31.12.2019 EUR'000 | 28.02.2019 EUR'000 | 31.12.2019 EUR'000 |
| Changes in the Consolidated Profit and Loss Statement | 2,650 | 2,626 | -2,398 | -2,376 |
| Changes in comprehensive income/loss | -8,144 | -11,623 | 6,819 | 10,515 |
| Changes to equity | -5,494 | -8,997 | 4,422 | 8,139 |

Interest rate risk

Interest rate risk depends on the average financing term and the type of interest rate. Fixed interest rates are subject to the risk of falling interest rates, whereas variable interest rates carry the risk of rising interest rates.

An increase in interest rates of 50 basis points would have resulted in a reduction in earnings after taxes and equity of kEUR 615 (previous year: kEUR 568). A reduction in interest rates by 50 basis points would have resulted in an increase in earnings after taxes and in equity of kEUR 587 (previous year: kEUR 568).

The calculation method is based on variable interest-bearing assets and liabilities.

Liquidity risk

A key objective of FACC's risk management is to maintain constant financial solvency to meet current and future obligations. The key

control parameters for this purpose are the maximization of free cash flow through cost reductions, active working capital management and the reduction of capital expenditure.

Liquidity risks arise in particular when proceeds from revenues fall short of expectations due to a decline in demand, and when measures to reduce working capital and payment-relevant fixed costs are implemented insufficiently or with a delay.

In order to secure short- and medium-term liquidity, a reserve in the form of bank deposits and unused credit lines with banks is maintained. If necessary, excess liquid funds are invested in non-speculative, highly liquid financial instruments, mainly money market certificates, daily allowances, securities and other money market instruments, which generally mature in less than three months.

On the balance sheet date 31 December 2019, FACC had unused credit lines amounting to kEUR 200,000 (previous year: kEUR 150,000) at its disposal.

The contractually agreed (undiscounted) cash flows (interest and principal payments) as well as the remaining terms of the financial liabilities are composed as follows:

| | Carrying amount 28.02.2019 EUR'000 | Total 28.02.2019 EUR'000 | Payment obligations | | |
|--|--|--------------------------------|--|---------------------------------------|---|
| | | | Less than 1 year 28.02.2019 EUR'000 | 1 to 5 years 28.02.2019 EUR'000 | More than 5 years 28.02.2019 EUR'000 |
| Valuation at amortized cost | | | | | |
| Promissory note loans | 34,000 | 34,747 | 34,747 | 0 | 0 |
| Bond FACC Operations GmbH | 89,769 | 97,200 | 3,600 | 93,600 | 0 |
| Liabilities towards credit institutions | 121,401 | 133,529 | 64,385 | 35,365 | 33,778 |
| Lease liabilities | 20,212 | 22,849 | 1,036 | 4,146 | 17,667 |
| Other interest-bearing liabilities | 5,538 | 5,538 | 5,744 | -206 | 0 |
| Financial liabilities | 270,920 | 293,863 | 109,513 | 132,904 | 51,445 |
| Trade payables | 74,819 | 74,819 | 74,819 | 0 | 0 |
| Liabilities towards related companies | 4,623 | 4,623 | 4,623 | 0 | 0 |
| Other financial liabilities | 11,633 | 11,633 | 11,633 | 0 | 0 |
| | 361,995 | 384,938 | 200,588 | 132,904 | 51,445 |
| Fair value through profit and loss | | | | | |
| Derivative financial instruments | 10,596 | 10,638 | 10,532 | 106 | 0 |
| Carrying amounts/contractual cash flows | 372,591 | 395,576 | 211,120 | 133,010 | 51,445 |

| | Carrying amount 31.12.2019 EUR'000 | Total 31.12.2019 EUR'000 | Payment obligations | | |
|--|--|--------------------------------|--|---------------------------------------|---|
| | | | Less than 1 year 31.12.2019 EUR'000 | 1 to 5 years 31.12.2019 EUR'000 | More than 5 years 31.12.2019 EUR'000 |
| Valuation at amortized cost | | | | | |
| Promissory note loans | 70,000 | 75,723 | 878 | 28,009 | 46,836 |
| Bond FACC Operations GmbH | 89,916 | 91,800 | 91,800 | 0 | 0 |
| Liabilities towards credit institutions | 59,026 | 69,090 | 15,212 | 25,569 | 28,309 |
| Lease liabilities | 59,354 | 68,961 | 7,117 | 22,686 | 39,158 |
| Other interest-bearing liabilities | 10,726 | 10,726 | 10,726 | 0 | 0 |
| Financial liabilities (without lease liabilities) | 289,022 | 316,300 | 125,733 | 76,264 | 114,302 |
| Trade payables | 83,465 | 83,636 | 83,636 | 0 | 0 |
| Liabilities towards related companies | 4,508 | 4,508 | 4,508 | 0 | 0 |
| Other financial liabilities | 10,163 | 10,163 | 10,163 | 0 | 0 |
| | 387,158 | 414,607 | 224,040 | 76,264 | 114,302 |
| Fair value through profit and loss | | | | | |
| Derivative financial instruments | 1,924 | 1,924 | 1,910 | 14 | 0 |
| Carrying amounts/contractual cash flows | 389,082 | 416,531 | 225,950 | 76,278 | 114,302 |

The interest payments on variable rate loans in the table above reflect the market conditions for forward interest rates at the end of the short financial year. These may change as market interest rates change. Future cash flows from derivative instruments may differ from the amounts shown in the table above as interest rates and exchange rates or the relevant conditions are subject to change. Target figures for future new liabilities are not included in the presentation. Financial liabilities repayable at any time are always assigned to the earliest maturity.

Credit risks

The Group is active in the aircraft industry and has two main customers. It is therefore exposed to a concentrated credit risk due to the limited number of aircraft manufacturers.

The Group is exposed to credit risks with respect to non-performance by contractual partners and has therefore introduced

guidelines to limit these risks. Products and services are exclusively sold to customers with appropriate credit ratings by taking the financial situation, past experiences and other factors into account. New customers' default risks are evaluated by means of credit assessments, and the creditworthiness of existing customers is also regularly monitored. Customer receivables above a specified amount are insured against default. Credit risks can also arise from cash and cash equivalents, derivative financial instruments and deposits with banks and other financial institutions. Such transactions are only carried out with banks and financial institutions with high credit ratings.

The maximum credit risk corresponds to the carrying amount of each financial asset in the balance sheet.

OTHER INFORMATION

47. Board member remuneration

The remuneration of the members of the Management Board of FACC AG and the Supervisory Board of FACC AG, who perform the same duties for FACC Operations GmbH, as of 31 December 2019 was as follows:

| Name | Non-success-related 2018/19 EUR'000 | Success-related 2018/19 EUR'000 | Termination benefit 2018/19 EUR'000 | Employer contribution to pension fund 2018/19 EUR'000 | Total 2018/19 EUR'000 |
|--------------------|---|---------------------------------------|--|--|-----------------------------|
| Robert Machtlinger | 388 | 250 | 73 | 111 | 821 |
| Andreas Ockel | 377 | 48 | 49 | 100 | 573 |
| Aleš Stárek | 277 | 166 | 46 | 0 | 489 |
| Yongsheng Wang | 178 | 131 | 31 | 0 | 339 |
| | 1,218 | 594 | 199 | 211 | 2,222 |

| Name | Non-success-related 2019 EUR'000 | Success-related ¹⁾ 2019 EUR'000 | Termination benefit ²⁾ 2019 EUR'000 | Employer contribution to pension fund 2019 EUR'000 | Total 2019 EUR'000 |
|--------------------|--|--|---|---|--------------------------|
| Robert Machtlinger | 332 | 107 | 0 | 93 | 532 |
| Andreas Ockel | 322 | 20 | 43 | 83 | 470 |
| Aleš Stárek | 260 | 71 | 50 | 0 | 380 |
| Yongsheng Wang | 190 | 56 | 52 | 0 | 299 |
| | 1,104 | 255 | 145 | 177 | 1,681 |

¹⁾ Relates to the financial year 2017/18

²⁾ Due to an adjustment of the provision for severance payments

The expenses for Supervisory Board members recorded in the Annual Financial Statements amounted to kEUR 357 (previous year: kEUR 525).

There were no advance payments or loans to members of the Supervisory Board of FACC AG on the balance sheet date.

48. Transactions with related companies and persons

Transactions with related companies and persons outside the consolidated companies of FACC AG were concluded in the period from 1 March 2019 to 31 December 2019 at arm's length terms.

| | Receivables 28.02.2019 EUR'000 | Liabilities 28.02.2019 EUR'000 | Revenues 2018/19 EUR'000 | Expenses 2018/19 EUR'000 |
|---|--------------------------------------|--------------------------------------|--------------------------------|--------------------------------|
| Companies with significant influence on the Group | 1,019 | 0 | 3,532 | 0 |
| Joint venture in which the parent undertaking is involved | 29,355 | 4,623 | 27,560 | 19,725 |
| | 30,374 | 4,623 | 31,092 | 19,725 |

| | Receivables 31.12.2019 EUR'000 | Liabilities 31.12.2019 EUR'000 | Revenues 2019 EUR'000 | Expenses 2019 EUR'000 |
|---|--------------------------------------|--------------------------------------|-----------------------------|-----------------------------|
| Companies with significant influence on the Group | 1,543 | 0 | 2,044 | 0 |
| Joint venture in which the parent undertaking is involved | 23,480 | 4,508 | 31,770 | 23,205 |
| | 25,023 | 4,508 | 33,815 | 23,205 |

In addition, a consulting agreement with Maffeo Aviation Consulting, Woodinville, USA, which is controlled by a Supervisory Board, was in place in the 2019 short financial year. The consulting agreement amounted to kEUR 38 (previous year: kEUR 50) in the short financial year, of which kEUR 13 (previous year: kEUR 0) had not yet been paid on the balance sheet date.

As in the previous year, there were no write-downs of doubtful receivables in connection with transactions with related parties, nor were any expenses recognized for doubtful or irrecoverable receivables in the 2019 short financial year or the previous year. Guarantees were neither granted nor received.

ACCOUNTING AND VALUATION POLICIES

49. Accounting and valuation policies

Intangible assets (IAS 36, IAS 38, IFRS 3, IAS 23)

Intangible assets with indefinite useful lives (IAS 38, IAS 36)

Intangible assets with indefinite useful lives are measured at amortized cost.

| | |
|----------------------------|--|
| Software and rights | Amortization over a period of 3 to 10 years (linear) |
|----------------------------|--|

An impairment test is conducted if an indicator of impairment is present. An impairment loss is recognized in the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of the asset is the higher of its attributed fair value less costs to sell and its value in use.

If the reasons for impairment no longer apply, the impairment losses are to be reversed up to the amortized cost.

Intangible assets with indefinite useful lives and intangible assets under development (IAS 38, IAS 36)

Measurement is conducted at acquisition or production costs.

These assets are not subject to scheduled amortization. Impairment tests are performed on an annual basis and if there are signs of impairment. An impairment loss is recognized in the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of the asset is the higher of its attributed fair value less costs to sell and its value in use.

If the reasons for impairment no longer apply, the impairment losses are reversed up to the amortized cost of the asset.

Goodwill (IFRS 3, IAS 36)

The initial recognition of goodwill results from the initial consolidation of subsidiaries. Goodwill is reported as the value resulting from the surplus of the procurement costs of the acquisition above the Group's share of identifiable net assets evaluated at the attributed fair value.

Goodwill is not subject to scheduled amortization. Impairment tests are performed on an annual basis and if there are signs of impairment.

For the purposes of impairment tests, the goodwill acquired in the framework of a corporate merger shall be allocated to the cash-generating units (CGUs) or groups of CGUs expected to benefit from the synergies of the merger. Each CGU or group of CGUs to which the goodwill is allocated constitutes the lowest level within the company at which the goodwill is monitored for internal management purposes. The goodwill is monitored internally on the segment level.

The impairment loss of a cash-generating unit is calculated by comparing the previously amortized carrying amount (including allocated goodwill) with the higher of its attributed fair value less costs of disposal and value in use. If the amount thus determined is less than the amortized carrying amount, an impairment loss is recognized on goodwill in the amount of this difference. Any remaining difference must be allocated to the remaining assets of the cash-generating unit in proportion to their carrying amount.

For the purposes of the impairment tests, the value in use, which represents the present value of estimated future cash flows before taxes, is used. This value is calculated on the basis of predicted cash flows derived from the multi-year plan approved by management. Cash flows arising after the detailed planning period are extrapolated by using growth rates. The growth rate applied does not exceed the long-term average growth rate of the division in which the CGU operates.

Cash flows are discounted with the weighted average cost of capital (WACC) before taxes, adjusted to the specific risks, which was largely determined on the basis of externally available capital market data.

Property, plant and equipment (IAS 16, IAS 36, IAS 23)

Property, plant and equipment are measured at amortized cost of procurement or manufacturing.

The manufacturing costs of property, plant and equipment include individual costs and reasonable parts of the overhead costs as well as borrowing costs in the case of qualified assets.

Linear amortization over the useful life:

| | |
|--------------------------------------|----------------|
| Buildings | 10 to 50 years |
| Investments in third-party buildings | 33 to 50 years |
| Technical plants and machinery | 3 to 33 years |
| Office equipment | 5 to 14 years |
| Vehicles | 5 to 8 years |

Impairment tests are performed whenever there are signs of impairment. An impairment loss is recognized in the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of the asset is the higher of its attributed fair value less costs to sell and its value in use.

If the reasons for impairment no longer apply, the impairment losses are reversed up to the amortized cost of the asset.

Profits and losses from disposals of property, plant and equipment shall be determined as the difference between the disposal proceeds and the carrying amounts of property, plant and equipment and are recorded in the Consolidated Profit and Loss Statement under the items "other operating income" and "other operating expenses".

Leasing (IAS 17) until 28 February 2019:

The allocation of a leased asset to the lessor or lessee is based on the criterion of assignability of all material risks and rewards associated with the ownership of the leased asset.

Finance lease: The leased asset is capitalized at the lower of its attributed fair value and the present value of the minimum lease payments at the time of acquisition. A lease liability of the same amount is recorded as a liability under financial liabilities.

The amortization is recorded linearly over its useful life or, if shorter, over the term of the lease agreement.

Operating lease: Rental payments are spread over the lease term in equal instalments and are recorded as expenses in the operating result.

Leasing (IFRS 16) since 1 March 2019:

The FACC Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17. The details of accounting policies under IAS 17 are disclosed separately.

At inception of a contract, the FACC Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the FACC Group uses the definition of a lease in IFRS 16.

IFRS 16 will replace the linear expenses for operating leases with amortization charges for right-of-use assets and interest costs for liabilities arising from the lease.

The FACC Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right of use is initially recognized at present value.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any occur, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the FACC Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments;
- variable lease payments that depend on an index or a rate;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in the FACC Group's estimate of the amount expected to be payable under a residual value guarantee.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The FACC Group has elected not to recognize right of use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Receivables from customer-related engineering und contract assets (IFRS 15)

Revenues from engineering and customer-specific tool developments are generally recognized at a point in time. At the time of revenue recognition, customer-related engineering is recognized as expenses, liabilities from customer-related engineering as revenues and variable compensation, depending on the type of contract, is recognized at its cash value in revenues or in receivables from customer-related engineering.

Receivables from customer-related engineering are subsequently reduced as a result of the ongoing amortization of development costs.

Engineering and customer-specific tool developments are recognized as contract assets from the outset to the extent that they constitute own performance obligations, and revenues have already been partially recognized over a period of time.

If customer-related engineering and customer-specific tool developments are charged as a mark-up on the price of serial components and are not directly remunerated or remunerated separately by customers, the level of revenues may depend on whether the planned quantity of series products has been achieved. This constitutes variable remuneration, which is recognized as a receivable from customer-related engineering based on a prudent estimate and is regularly reassessed.

Payments to customers are treated as advance discounts and are recorded under contract assets. They are recognized as sales deductions according to the expected duration of the program.

Impairments of receivables from customer-related engineering and contract assets are assessed according to regulations governing financial assets.

Contract costs (IFRS 15)

Contract costs are measured at amortized cost.

If, in accordance with IFRS 15, there is no enforceable contractual entitlement to remuneration for engineering and tool development services provided, the associated expenses are capitalized as contract costs. The services provided and the subsequent series production constitute a single unit. In this case, the engineering and tool expenses are added to the price of the parts as a mark-up and are recognized as revenue upon delivery of the serial parts. The contract costs are amortized according to the number of shipsets delivered.

Inventories (IAS 2)

Inventories are measured at the lower value of procurement cost or manufacturing cost and net realizable value. Inventories are valued using the moving average price method. When determining the manufacturing costs, the directly attributable costs and reasonable portions of overhead costs, including amortization, are included on the assumption of normal capacity utilization.

The net realizable value results from the expected sales revenues of the items less the outstanding production and distribution costs determined on the basis of empirical values. Price decreases in the replacement costs are generally taken into account when calculating the net sales price.

Inventories are written down in the case of reduced net selling prices or long storage periods. So-called slow-moving inventory items, which are classified according to product groups, are subject to specific write-downs. The system identifies materials with a storage period of more than 24 months as slow-moving items.

Customer-related engineering (IAS 2)

Customer-related engineering and customer-specific tool developments are recorded as customer-specific development services to the extent that they constitute own performance obligations and control has not yet been transferred. They are capitalized to the amount of the associated expenses. For further information, please also refer to "Receivables from customer-related engineering".

Government grants (IAS 20)

Government grants are recognized at fair value if there is reasonable assurance that the conditions attached to the grant will be met and the grant will be received.

Government grants for investments in property, plant and equipment are recorded under the item "investment grants" under non-current or current liabilities.

Investment grants are dissolved to profit or loss on a linear basis over the expected useful life of the assets concerned.

Employee benefit obligations (IAS 19)

Defined benefit plans

Defined benefit plans relate to Austrian termination benefit obligations towards employees whose employment was established on or before 31 December 2002.

This provision is calculated using the projected unit credit method, which sees each period of service as giving rise to an additional unit of benefit entitlement and calculates the present value of future payments over the employees' estimated working lives. The calculation is performed by an actuary by means of actuarial reports for the respective balance sheet date.

Revaluation effects based on experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income in equity for the period in which they arise.

Interest expenses are recognized before earnings before interest and taxes (EBIT) in the Consolidated Profit and Loss Statement.

The expected settlement amount is recognized for termination benefit obligations towards members of the Management Board of FACC AG as agreed in individual contracts.

Defined contribution plans

Defined contribution plans are in place in Austria for employees whose employment was established after 31 December 2002 due to statutory obligations and for individual contractual pension agreements.

The Group's sole obligation is to pay the defined contributions. These are recognized as expenses in the period for which they are paid.

Other non-current employee benefit obligations

Under collective bargaining agreements, the Group is obliged to pay employees an anniversary bonus of one month's salary or one month's wages upon reaching 25 years of service.

This provision is determined by an actuary using actuarial reports in accordance with the projected unit credit method for the respective balance sheet date.

Interest expenses are recognized before earnings before interest and taxes (EBIT) in the Consolidated Profit and Loss Statement.

Revaluation effects based on experience adjustments and changes in actuarial assumptions are recognized to profit or loss in the period in which they arise.

Contract liabilities from customer-related engineering (IFRS 15)

Contract liabilities from customer-related engineering are recorded under current liabilities if control has not yet been transferred.

Other provisions (IAS 37)

Other provisions are recognized at the expected settlement amount. Non-current provisions are discounted provided the discounting effect is substantial and the discounting period can be reliably estimated.

Income taxes (IAS 12)

Deferred tax receivables and liabilities shall be balanced if they pertain to the same tax authority and if there is an enforceable legal claim to offsetting.

Income tax expense (income tax credits) include actual taxes and deferred taxes.

Deferred taxes are recognized for all temporary differences between the tax base of assets and liabilities and their carrying amounts in the IFRS-based financial statements (liabilities method). Deferred taxes are valued based on the tax rates applicable when the temporary differences have been reversed after the balance sheet date. Deferred tax receivables are only recognized to the extent to which it is probable that the corresponding tax benefits will be realized.

Deferred tax receivables for loss carryforwards are only recognized to the extent to which it is probable that they will be realized within a reasonable period of time.

Changes in taxes generally lead to tax expenditures or tax credits. Taxes on items recorded in other comprehensive income are recorded in other comprehensive income. Taxes on items recorded directly in equity are also recorded directly in equity.

Financial instruments (IAS 32, IFRS 7, IFRS 9, IFRS 13)

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model under which the assets are held as well as the characteristics of their respective cash flows. The standard contains three main categories of classification for financial assets: at amortized cost (AC), at fair value through profit or loss (FVTPL) and at fair value through other comprehensive income (FVOCI). For existing IAS 39 categories, the standard no longer includes "held to maturity (HtM)", "loans and receivables (LaR)" and "available for sale (AfS)". Under IFRS 9, derivative financial instruments embedded in financial assets are no longer accounted for separately but are classified as at fair value through profit or loss.

The FACC Group also has a factoring program in place for seven selected customers. The unsold receivables from the factoring portfolio were previously recorded under "loans and receivables" but are now allocated to the "hold and sell" business model in accordance with IFRS 9. The latter is measured at fair value through other comprehensive income.

Financial assets are initially recognized at fair value. In the case of financial investments that are not measured at fair value through profit or loss, transaction costs directly attributable to the acquisition of the assets are also taken into account.

The fair value is determined on the basis of the market information available on the balance sheet date. Given various influencing factors, the values stated here may deviate from the values realized at a later date.

The fair value of financial assets and liabilities reflects the effect of the risk of non-performance on the part of the other party. When determining the fair value of a financial asset, the credit risk of banks is taken into account on the basis of their ratings. When determining the fair value of a financial liability, the Group's own credit risk is considered on the basis of credit ratings provided by banks.

Market values are available for all derivative financial instruments and listed securities; for all other financial instruments, the fair value is calculated on the basis of the discounted expected cash flows to the extent that the carrying amount does not represent an adequate approximation of the fair value.

Purchases and sales of financial assets are recorded on the date of the transaction.

Impairments are recognized to profit or loss for all financial instruments. If the underlying cause of the impairment no longer applies, a reversal of the impairment loss is recognized to profit or loss.

Other non-current financial assets (securities)

"At fair value through profit or loss" category: Subsequent measurement is recognized directly in other comprehensive income at fair value through other comprehensive income (stock market price).

Receivables and other assets

"At amortized cost" category: Subsequent measurement is recognized at amortized cost less any impairment losses on valuation accounts. Impairments of trade receivables due to default of payment are recognized on the basis of past experience. In addition, customers are assessed individually, taking into account past experience, their creditworthiness and any collateral security provided. Irrecoverable receivables are derecognized. Non-current receivables are additionally discounted according to the effective interest method.

IFRS 9 replaces the "losses incurred" model of IAS 39 with a forward-looking model of "expected credit losses". Determining the extent to which expected loan defaults will be influenced by changes in economic factors requires the exercise of considerable discretion and is made on the basis of weighted probabilities.

The new impairment model is to be applied to financial assets measured at amortized cost or at fair value through other comprehensive income and to contract assets.

Under IFRS 9, impairment losses are calculated according to one of the following:

- **12-month expected credit loss:** Expected loan defaults due to possible default events within twelve months of the balance sheet date.

- **Lifetime expected credit loss:** Expected loan defaults due to all possible default events which can occur during the expected term of a financial instrument.

Measurement according to the concept of lifetime expected credit loss is to be applied if the credit risk of a financial asset has increased significantly on the balance sheet date since its initial recognition; in all other cases, valuation according to 12-month expected credit loss is to be applied. Exceptions exist for trade receivables, contract assets arising under IFRS 15 and leasing receivables. For these items, all expected losses must (for trade receivables and contract assets without a significant financing component pursuant to IFRS 15) or may (for trade receivables and contract assets with a significant financing component and leasing receivables pursuant to IFRS 15) already be taken into account at the time of addition.

Capital market data is available for the majority of the Group's customers, which means that external parameters for maturity-dependent risk exposure are available. Expected losses for receivables subject to default risks are calculated using a maturity-specific default probability for each customer.

If no external parameters are available for a customer, industry- or country-specific credit default swap (CDS) spreads or bond yields (on an individual security or index basis) are used to determine the probability of default.

Trade receivables are written off if there is information suggesting that the debtor is facing significant financial difficulties and there is no realistic prospect of recovery, e.g. if the debtor has gone into liquidation or insolvency proceedings have been opened, or if the trade receivables are more than three years overdue, depending on what occurs earlier. Trade receivables which have been written off are under no circumstances subject to levies of execution.

The FACC Group derecognizes trade receivables when the contractual rights to the cash flows from the receivables have expired or the rights to the cash flows have been transferred in a transaction in which all significant risks and rewards of ownership of the receivables are transferred.

Cash

Cash and cash equivalents are measured at amortized cost on the balance sheet date

The Group assumes that its cash and cash equivalents have a lower default risk based on the external ratings of banks and financial institutions. Due to the high credit rating and the short-term maturity, no value adjustments are made for expected credit losses.

Liabilities

Subsequent measurement is made at amortized cost using the effective interest method.

Derivative financial instruments

Derivative financial instruments for which the criteria of IFRS 9 for hedge accounting are not met are classified and recognized at fair value through profit or loss in accordance with IFRS 9.

Cash flow hedges

The Group concludes forward exchange transactions to hedge the foreign currency risk in connection with particular planned foreign currency sales.

The special provisions of IFRS 9 on hedge accounting are applied to offset the effects of the hedged transaction and the hedging instrument in the income statement. The fair values resulting as of the balance sheet date are recognized in other comprehensive income, taking into account deferred taxes, and reported under reserves in accordance with IFRS 9. They are reversed to profit or loss according to their future realization in the relevant financial year.

Revenue recognition (IFRS 15)

FACC generates two main streams of revenue – on the one hand through the supply of series products and, on the other hand, through the provision of development services. Development services either represent a separate performance obligation under a multi-component contract or are part of the delivery of series products. Moreover, there are also individual contracts for development projects. To the extent that development services in a multi-component contract constitute a separate performance obligation and the criteria for revenue recognition over a period of time are met, revenue is recognized either according to the stage of completion (progress is determined using the cost-to-cost method) or on the basis of the costs incurred (if no reliable estimate of the outcome of the contract is possible), depending on the degree to which the outcome of the contract can be anticipated. To the extent that development services in a multi-component contract constitute a separate performance obligation and the criteria for revenue recognition over a period of time are not met, revenue is recognized at the point when control has passed to the customer. If development services do not constitute a separate performance obligation, revenue is recognized at the time of delivery of the series products. In this case, the costs incurred for the development services are capitalized as contract fulfillment costs and are amortized through profit or loss depending on the deliveries of shipsets made. In the case of development services without milestone payments, payment is made according to the ongoing delivery of series products over the entire duration of the program. As performance obligations are fulfilled well in advance of payments received, there is a significant financing component that is taken into account in the measurement of receivables from customer-related engineering and contract assets. In the case of development services with milestone payments, the fulfillment of performance obligations and the receipt of payments largely coincide. As a result, no significant financing component arises. Both fixed and variable components are included in the transaction price of development services – the fixed component consists of the contractually agreed price component (separately agreed for the development service or guaranteed in the shipset price) and guaranteed minimum quantities – the variable component includes estimates with regard to the quantity component (series products to be delivered in the future) since no guaranteed minimum quantities exist in these cases, with volumes based on planned rate forecasts.

Under IFRS 15, revenue is recognized either at a point in time or over a period of time as soon as a customer takes control of the goods or services.

If a significant financing component is identified in the case of long-term amortization via series deliveries, sales revenues are only recognized in the amount of the present value of the agreed payments. Compounding effects are recognized as income in the financial result, which leads to payments received not being allocated in full to sales revenues, as was previously the case.

Payments to customers are treated as advance discounts and are recorded in the Consolidated Statement of Comprehensive Income as a reduction in sales over the duration of the program.

In addition to a lack of alternative uses, particularly the legal claim to payment for services already provided (costs plus profit share) is a prerequisite for revenue to be recognized over a period of time. This criterion means that individual contracts must be recognized as revenues at a point in time according to IFRS 15. Until the passing of control, services provided at a specific point in time are recognized in the balance sheet in the amount of the associated costs.

In the case of revenue recognition over a period of time, revenue is allocated according to the cost-to-cost method.

IFRS 15 requires companies to disclose the costs of initiating a contract with a customer. As no such costs have been incurred by the Group, the related disclosures are not presented in these Notes. Financing components are not taken into account for contracts with a term of less than twelve months.

Recognition of expenses

Operating expenses are recognized upon provision of the service or at the time they are incurred. Interest is recognized using the effective interest method.

Foreign currency valuation (IAS 21)

Receivables, cash and cash equivalents and liabilities are translated at the spot conversion rate. Gains and losses are recorded to profit or loss.

Consolidated statement of cash flows (IAS 7)

The indirect method was used to present the Consolidated Statement of Cash Flows for the consolidated cash flow from operating activities. Cash and cash equivalents correspond to cash on hand and liquid funds.

50. Effects of new and amended standards (revised)

The following new and amended standards were mandatorily effective for the first time in the 2019 short financial year:

| Standard / Interpretation | | Mandatory application acc. to IASB for financial years beginning with | Adoption by the EU as of 31.12.2019 |
|---------------------------|--|---|-------------------------------------|
| IFRS 16 | Leasing | 01.01.2019 | Yes |
| IFRIC 23 | Uncertainty over Income Tax Treatments | 01.01.2019 | Yes |
| Miscellaneous | Annual Improvements to IFRS Standards 2015-2017 Cycle | 01.01.2019 | Yes |
| IFRS 9 (amended) | Prepayment Features with Negative Compensation | 01.01.2019 | Yes |
| IAS 28 | Long-term Investments in Associates and Joint Ventures | 01.01.2019 | Yes |
| IAS 19 | Plan Amendment, Reduction or Settlement of Pension Obligations | 01.01.2019 | Yes |

With the exception of IFRS 16, the first-time application of these new or revised standards has no material impact on the FACC Consolidated Financial Statements.

- IFRS 16: Leases

IFRS 16 provides for a uniform accounting model according to which leases must be recognized in the lessee's balance sheet. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are exceptions for short-term leases and leases of low-value assets. With regard to these disclosures, please refer to Note 3 - Effects of the first-time application of IFRS 16.

The International Accounting Standards Board (IASB) is currently working on a number of projects that will affect financial years beginning on or after 1 January 2020. The following new, revised

or amended standards and IFRIC interpretations that have already been published by the IASB but are not yet mandatory in the EU have not been applied early by the FACC Group and are therefore not relevant to these Consolidated Financial Statements:

| Standard / Interpretation | | Published by IASB | Mandatory application acc. to IASB | Adoption by the EU as of 23.01.2020 | Effects on the Consolidated Financial Statements |
|----------------------------------|---|-------------------|------------------------------------|-------------------------------------|--|
| IFRS 9, IAS 39, IFRS 7 (amended) | Interest Rate Benchmark Reform | 26.09.2019 | 01.01.2020 | Yes | No |
| Miscellaneous | Amendments to References to the Conceptual Framework in IFRS Standards | 29.03.2018 | 01.01.2020 | Yes | No |
| IAS 1 and IAS 8 (amended) | Definition of Material | 31.10.2018 | 01.01.2020 | Yes | No |
| IFRS 3 (amended) | Business Combinations | 22.10.2018 | 01.01.2020 | No | No |
| IFRS 17 | Insurance Contracts | 18.05.2017 | 01.01.2021 | No | No |
| IAS 1 | Presentation of Financial Statements: Classification of Liabilities as Current or Non-current | 23.01.2020 | 01.01.2022 | No | No |
| IFRS 14 | Regulatory Deferral Accounts | 30.06.2014 | Unspecified ¹⁾ | No | No |

¹⁾ Currently no adoption of IFRS 14 in EU law is planned.

51. Fees of the Group auditor

The expenses attributable to the 2019 short financial year for the auditor Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. of the Consolidated Financial Statements are as follows:

| | 2018/19 EUR'000 | 2019 EUR'000 |
|---------------------------|--------------------|-----------------|
| Group and annual audit | 180 | 217 |
| Other consulting services | 103 | 56 |
| | 283 | 273 |

52. Events after the balance sheet date

After the balance sheet date of 31 December 2019, no event requiring disclosure occurred.

53. Proposed appropriation of net income

In the 2019 short financial year the retained earnings of FACC Group amounted to kEUR 53,868. The Management Board and the Supervisory Board will propose a dividend of EUR 0.15 per share to the Annual General Meeting on 26 June 2020.

54. Approval for publication

These Consolidated Financial Statements are expected to be approved by the Management Board on 25 March 2020 (Consolidated Financial Statements on 28 February 2019; 22 May 2019) for review by the Supervisory Board, presentation to the Annual General Meeting and subsequent publication. The Supervisory Board may arrange for amendments to the Consolidated Financial Statements as part of its duties as assessor.

55. Management and Supervisory Boards

Members of the Management Board

Robert Machtlinger, CEO
Andreas Ockel, COO
Aleš Stárek, CFO
Yongsheng Wang, CCO

Members of the Supervisory Board

Ruguang Geng (Chairman, until 31 December 2019)
Zhen Pang (Deputy Chairman, until 31 December 2019; Chairman, since 01 January 2020)
Qinghong Liu
Jiajia Dai (since 26 March 2019)
Jing Guo
Junqi Sheng
Weixi Gong
George Maffeo
Wenbiao Han (until 28 April 2019)
Ulrike Reiter (employee representative)
Barbara Huber (employee representative)
Peter Krohe (employee representative)
Karin Klee (employee representative)

Ried im Innkreis, 6 March 2020

The Management Board

| | |
|--|--|
| Robert Machtlinger m. p. Chairman of the Management Board | Andreas Ockel m. p. Member of the Management Board |
| Aleš Stárek m. p. Member of the Management Board | Yongsheng Wang m. p. Member of the Management Board |

Statement of all Legal Representatives

According to section 82 paragraph 4 number 3 Börsegesetz (Austrian Stock Exchange Act)

To the best of our knowledge, we confirm that the Consolidated Financial Statements prepared in accordance with the relevant accounting standards give a true and fair view of the net assets, financial position and results of operations of the Group. Likewise, to the best of our knowledge, we confirm that the Group Management Report presents the course of business, the results of operations and the position of the Group in such a way as to give the best possible picture of the Group's net assets, financial position and results of operations, and that the Group Management Report describes the main risks and uncertainties to which the Group is exposed.

We certify to the best of our knowledge that the Annual Financial Statements of the parent company prepared in accordance with the relevant accounting standards give a true and fair view of the net assets, financial position and results of operations of the company. Likewise, to the best of our knowledge, we confirm that the Management Report presents the course of business, the results of operations and the position of the company in such a way as to give a true and fair view of the net assets, financial position and

results of operations and that the Management Report describes the significant risks and uncertainties to which the company is exposed.

Ried im Innkreis, 6 March 2020

The Management Board

Robert Machtlinger m. p.
Chairman of the Management Board

Aleš Stárek m. p.
Member of the Management Board

Andreas Ockel m. p.
Member of the Management Board

Yongsheng Wang m. p.
Member of the Management Board

Auditor's Report¹⁾

Report on the Consolidated Financial Statements

AUDIT OPINION

We have audited the Consolidated Financial Statements of

FACC AG, Ried im Innkreis,

and of its subsidiaries (the Group) comprising the Consolidated Statement of Financial Position as of 31 December 2019, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the short financial year then ended and the Notes to the Consolidated Financial Statements.

Based on our audit the accompanying Consolidated Financial Statements were prepared in accordance with the legal regulations and present fairly, in all material respects, the assets and the financial position of the Group as of 31 December 2019 and its financial performance for the short financial year then ended in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU, and the additional requirements under section 245a of the Austrian Company Code (UGB).

¹⁾ This report is a translation of the original report in German, which is solely valid. Publication or sharing with third parties of the Consolidated Financial Statements together with our auditor's opinion is only allowed if the Consolidated Financial Statements and the Management Report for the Group are identical with the German audited version. This audit opinion is only applicable to the German and complete Consolidated Financial Statements with the Management Report for the Group. Section 281 paragraph 2 UGB (Austrian Company Code) applies to alternated versions.

BASIS FOR OPINION

We conducted our audit in accordance with the regulation (EU) no. 537/2014 (in the following "EU regulation") and in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing (ISA). Our responsibilities under those regulations and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the Austrian Generally Accepted Accounting Principles and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the short financial year. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We considered the following matters as key audit matters for our audit:

1. First-time adoption of "International Financial Reporting Standard 16 – Leases"
2. Other receivables in connection with the Fake-President-Incident-Fraud case in fiscal year 2015/2016

1. First-time adoption of "International Financial Reporting Standard – Leases"

Description

FACC AG implemented the new standard on leases "International Financial Reporting Standard 16 – Leases" (IFRS 16) as of 1 March 2019 using the modified retrospective approach in accordance with the transitional provisions. FACC AG recorded right-of-use assets of mEUR 33.8 and lease liabilities of mEUR 33.8 (thereof short-term mEUR 4.5) as of 1 March 2019.

FACC AG shows the following amounts of right-of-use assets (mEUR 82.4), short-term lease liabilities (mEUR 4.6) and long-term lease liabilities (mEUR 54.7) in its consolidated financial statements as of December 31, 2019.

FACC AG's disclosures about leases and the first time application of IFRS 16 are included in Note 3 (3. Effects of the first-time application of IFRS 16), 22 (Property, plant and equipment) and 38 (Financial Liabilities) in the consolidated financial statements.

We considered the first-time adoption of IFRS 16 as a key audit matter as the related opening balance amounts and their updating throughout the short financial year are significant and the process for assessing the impact and implementing the standard itself is complex and requires judgment, especially regarding the assessment of possible options to extend or terminate a contract when determining the lease term and the incremental borrowing rate.

How our audit addressed the matter

Our audit procedures included, among others, the following:

- Regarding the initial application of IFRS 16 as of 1 March 2019, we evaluated the FACC Group's process for assessing the impact and implementing the new standard.
- Assessment of the design and effectiveness of the controls implemented by the management for the correct application of the new standard.
- We challenged the key accounting estimates and judgements made under IFRS 16 (mainly assessment of possible options to extend or terminate a contract when determining the lease term, incremental borrowing rate).
- We performed substantive audit procedures to corroborate the results of the design and implementation assessment of controls over IFRS 16 related processes and IT systems, especially regarding the complete and appropriate recording of the leases in the opening balance and additions during the financial year as well as their updating throughout the short financial year based on a sample selection of individual leasing contracts and
- Finally, we also evaluated the adequacy of disclosures made regarding the initial application of IFRS 16.

2. Other receivables in connection with the Fake-President-Incident-Fraud case in fiscal year 2015/2016

Description

At the end of the 2015/16 fiscal year, the FACC Group was confronted with a fake-president-incident-fraud case, which led to a cash outflow of EUR 52.9 million from FACC Operations GmbH (a subsidiary of FACC AG). Of this amount, an amount of approximately EUR 10.9 million was frozen in bank accounts in China and transferred to accounts of the Republic of Austria in the 2019 business year but not yet retransferred to FACC Operations GmbH. On the basis of a legal assessment obtained from management as of 31 December 2019, the amount of EUR 10.9 million was recognized in the other current receivables in the balance sheet.

The information on the explanations, with regard to management's assessments of the Fake President Incident Fraud Case, is of particular importance and is provided in Note 31 in the financial statements (receivables and other assets).

How we have addressed the facts of the case in the course of the audit:

Our audit activities included the following activities:

- Discussing current developments in connection with the re-transfer with the management and the head of the legal department and the legal representatives of FACC Operations GmbH
- Obtaining a lawyer's letter and evaluation of the included legal judgment in respect of recovery of FACC Operations GmbH and the assessment made therein that with a prompt remittance is expected
- Consultation of the case law of similar cases concerning reimbursement of funds to damaged parties
- Review whether the criteria to recognize an account receivable are met
- Assessment of the adequacy of the information provided in the notes on other receivables

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISA, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also

- identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

RESPONSIBILITIES OF MANAGEMENT AND OF THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation of the consolidated financial statements in accordance with IFRS as adopted by the EU, and the additional requirements under Section 245a Austrian Company Code UGB for them to present a true and fair view of the assets, the financial position and the financial performance of the Group and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISA, always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are con-

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Comments on the Management Report for the Group

Pursuant to Austrian Generally Accepted Accounting Principles, the Management Report for the Group is to be audited as to whether it is consistent with the Consolidated Financial Statements and as to whether the Management Report for the Group was prepared in accordance with the applicable legal regulations.

Management is responsible for the preparation of the Management Report for the Group in accordance with Austrian Generally Accepted Accounting Principles.

We conducted our audit in accordance with Austrian Standards on Auditing for the audit of the Management Report for the Group.

Opinion

In our opinion, the Management Report for the Group was prepared in accordance with the valid legal requirements, comprising the details in accordance with section 243a of the Austrian Company Code (UGB), and is consistent with the Consolidated Financial Statements.

RESPONSIBLE AUSTRIAN CERTIFIED PUBLIC ACCOUNTANT

The engagement partner on the audit resulting in this independent auditor's report is Mrs. Mag. Johanna Hobelsberger-Gruber, Certified Public Accountant.

Linz, 6 March 2020

Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Johanna Hobelsberger-Gruber e. h.
Certified Public Accountant

Statement

Based on the findings during the audit of the Consolidated Financial Statements and due to the thus obtained understanding concerning the Group and its circumstances no material misstatements in the Management Report for the Group came to our attention.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the Consolidated Financial Statements, the Management Report for the Group and the auditor's report thereon. The annual report is estimated to be provided to us after the date of the auditor's report. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information, as soon as it is available, and, in doing so, to consider whether – based on our knowledge obtained in the audit – the other information is materially inconsistent with the Consolidated Financial Statements or otherwise appears to be materially misstated.

Additional information in accordance with article 10 of the EU VO regulation

We were elected as auditor by the Ordinary General Meeting on 9 July 2019. We were appointed by the Supervisory Board on 26 September 2019. We are auditors without cease since financial year 2016/17.

We confirm that the audit opinion in the section "Report on the Consolidated Financial Statements" is consistent with the additional report to the audit committee referred to in article 11 of the EU regulation.

We declare that no prohibited non-audit services (article 5 paragraph 1 of the EU regulation) were provided by us and that we remained independent of the audited company in conducting the audit.

ppa DI (FH) Hans Eduard Seidel e. h.
Certified Public Accountant

CORPORATE GOVERNANCE REPORT

The Austrian Code of Corporate Governance (ÖCGK) provides Austrian stock corporations with a framework for corporate management and control. It contains both internationally recognized standards for good corporate management and the relevant provisions of Austrian corporation law. The Code is designed to ensure the responsible management and control of companies and groups with a view to creating sustainable and long-term value.

Ensuring a high level of transparency for all stakeholders and securing long-term and sustainable growth in shareholder value are key elements of active corporate governance policies. These include efficient cooperation between executive bodies, safeguarding shareholders' interests and open corporate communication.

DECLARATION OF COMMITMENT

FACC AG observes the Austrian Code of Corporate Governance, undertaking to comply with its provisions for the first time in 2014 following its initial listing on the prime market of the Vienna Stock Exchange. The Code, as amended, is available online at www.corporate-governance.at.

FACC AG is obliged to prepare a Corporate Governance Report in accordance with Rule L-60 ÖCGK. All previous reports are also available to the public on the company's website at www.facc.com (Rule C-61 ÖCGK).

Pursuant to Rule C-62 of the Austrian Code of Corporate Governance, the company is obliged to commission an external evaluation of compliance with the Code's C-Rules on a regular basis, but at

least once every three years. FACC most recently commissioned KPMG Advisory GmbH to evaluate the Corporate Governance Report for the 2019 financial year. The evaluation concluded that FACC's declaration of compliance with the Austrian Code of Corporate Governance in its current version (2018) is factually accurate. The evaluation results can be viewed by all interested parties on the company website at www.facc.com.

The risk management system was assessed by an auditor in the 2019 financial year (Rule C-83 ÖCGK).

EXECUTIVE BODIES OF FACC AG

Management Board

Organization and operation of the Management Board

The Management Board of FACC AG consists of a minimum of two and a maximum of four persons in accordance with the company's Articles of Association. The members of the Management Board are appointed by the Supervisory Board.

The Management Board conducts the business of FACC AG in conformance with legal provisions and the company's Articles of Association and Rules of Procedure. Business is distributed among the Management Board members in accordance with the Rules of Procedure, which also govern collaboration within the Management Board. Furthermore, the Management Board has undertaken to fully comply with the rules of the Austrian Code of Corporate Governance.



Robert MACHTLINGER (1967)
Chairman of the Management Board
First appointed: 2014
End of current term of office:
06/2020
Areas of responsibility: Strategy, Customer Relations,
Business Development, Marketing, Human Resources,
Program Management, Quality,
Corporate Communications, Innovation and Research
Supervisory Board mandates in other companies: none



Andreas OCKEL (1966)
Member of the Management Board
First appointed: 2017
End of current term of office:
10/2020
Areas of responsibility: Production,
Development, Procurement, Real Estate, Global Subsidiaries
Supervisory Board mandates in other companies: none



Aleš STÁREK (1970)
Member of the Management Board
First appointed: 2016
End of current term of office:
10/2024
Areas of responsibility: Financial Accounting, Controlling, Taxes,
Treasury, IT, Legal, Investor Relations
Supervisory Board mandates in other companies: none



Yongsheng WANG (1963)
Member of the Management Board
First appointed: 2016
End of current term of office:
05/2023
Areas of responsibility: Internal Auditing,
China Business Relations, Risk Management
Supervisory Board mandates in other companies: none

Supervisory Board

The Supervisory Board's actions are bound by the laws and regulations applicable to companies listed in Austria such as the Austrian Stock Corporation Act and the Austrian Stock Exchange Act. Furthermore, the Supervisory Board has undertaken to observe the rules of the Austrian Code of Corporate Governance. The company's Articles of Association and the Rules of Procedure constitute its most important internal regulations. The Supervisory Board consists of at least three and at most ten members elected by the Annual General Meeting as stipulated by the Articles of Association of FACC AG.

According to section 11.2 of the Articles of Association of FACC AG, AVIC Cabin Systems Co., Limited is entitled to delegate Supervisory Board members. It may delegate up to one third of all members, provided that it holds a stake of at least 25 percent in the current share capital.

When electing members of the Supervisory Board, the Annual General Meeting must pay due attention to the requirements with respect to professional and personal qualifications as well as the balanced composition of expert know-how. Due regard must also be paid to diversity in terms of gender, age distribution and internationality. Newly elected Supervisory Board members are obliged to obtain adequate information on the organization and activities of the company and on the tasks and responsibilities of supervisory boards. The members of the Supervisory Board are required to conduct an annual self-evaluation to assess their own performance.

Ruguang GENG (1957)

Chairman of the Supervisory Board since 2009

First appointed: 2014

End of current term of office:

Annual General Meeting deciding on the 2021 financial year

Supervisory Board mandates in other companies: none

On 13 December 2019, the Chairman of the FACC Supervisory Board, Mr. Ruguang GENG, informed the Management Board of the company that he would be resigning from his position with effect from 31 December 2019 and would thus be retiring from the Supervisory Board before the end of his term of office, which was due to expire at the Annual General Meeting in 2022.

The Supervisory Board has appointed Mr. Zhen PANG, who previously held the position of Vice Chairman, as the new Chairman of the Supervisory Board with effect from 1 January 2020.

Zhen PANG (1964)

Vice Chairman of the Supervisory Board

First appointed: 2018

End of current term of office:

Annual General Meeting deciding on the 2021 financial year

Supervisory Board mandates in other companies: none

Weixi GONG (1962)

First appointed: 2014

End of current term of office:

Annual General Meeting deciding on the 2021 financial year

Supervisory Board mandates in other companies: none

Jing GUO (1981)

First appointed: 2018

End of current term of office:

Annual General Meeting deciding on the 2021 financial year

Supervisory Board mandates in other companies: none

Wenbiao HAN (1980)

First appointed: 2018

End of current term of office: April 2019

Supervisory Board mandates in other companies: none

On 12 April 2019, FACC AG announced that Mr. Wenbiao HAN, member of the Supervisory Board and Chairman of the Audit Committee of FACC AG, had resigned from office for personal reasons with effect from 29 April 2019. Mr. Wenbiao HAN had been on the Supervisory Board of the company since June 2018. AVIC Cabin Systems Co., Limited (formerly FACC International) delegated Mrs. Jiajia DAI, born 1978, as a new member of the Supervisory Board of FACC AG pursuant to section 11.2 of the Articles of Association of FACC AG.

Jiajia DAI (1978)

First delegated: April 2019

Supervisory Board mandates in other companies: none

Qinghong LIU (1973)

First appointed: 2018

End of current term of office:

Annual General Meeting deciding on the 2021 financial year

Supervisory Board mandates in other companies: none

George MAFFEO (1954)

First appointed: 2016

End of current term of office:

Annual General Meeting deciding on the 2021 financial year

Supervisory Board mandates in other companies: none

Junqi SHENG (1972)

First appointed: 2017

End of current term of office:

Annual General Meeting deciding on the 2021 financial year

Supervisory Board mandates in other companies: none

Members of the Supervisory Board delegated by the Works Council:

Peter KROHE (1959)

First delegated: 2014

Barbara HUBER (1965)

First delegated: 2014

Ulrike REITER (1960)

First delegated: 2014

Karin KLEE (1981)

First delegated: 2018

Participation in meetings of the Supervisory Board and the committees:

| Name | SB | AC | PCC | SC |
|---------------|-----|-----|-----|-----|
| Ruguang Geng | 3/3 | | 2/2 | 1/1 |
| Zhen Pang | 3/3 | | 2/2 | 1/1 |
| Jiajia Dai | 3/3 | 3/3 | | |
| Weixi Gong | 3/3 | | 2/2 | |
| Jing Guo | 3/3 | 3/3 | | 1/1 |
| Wenbiao Han | 0/3 | | | |
| Qinghong Liu | 3/3 | | 2/2 | 1/1 |
| George Maffeo | 3/3 | 3/3 | | 1/1 |
| Junqi Sheng | 3/3 | | 2/2 | 1/1 |
| Peter Krohe | 3/3 | | | 1/1 |
| Barbara Huber | 2/3 | 0/3 | | |
| Ulrike Reiter | 3/3 | | | 1/1 |
| Karin Klee | 3/3 | | | |

Abbreviations: SB = Supervisory Board, AC = Audit Committee, PCC = Personnel and Compensation Committee, SC=Strategy Committee

Independence of the Supervisory Board members

The Supervisory Board has adopted the guidelines on independence set out in Annex 1 of the Austrian Code of Corporate Governance. Accordingly, all members of the Supervisory Board have declared to be independent of the company and of its Management Board (Rule C-53 ÖCGK).

The Supervisory Board members George MAFFEO and Weixi GONG do not represent the interests of shareholders with a stake of more than 10 percent (Rule C-54 ÖCGK).

Supervisory Board committees

As required by the Austrian Stock Corporation Act, the Supervisory Board of FACC AG has set up an Audit Committee to perform planned supervisory and control functions. In addition to examining the accounting process as well as the audit and Group audit, it also monitors the effectiveness of the internal control and risk management system. Furthermore, the Audit Committee is responsible for reviewing the Corporate Governance Report, which is presented at the Annual General Meeting. The Audit Committee held three meetings in the 2019 financial year. A total of three Supervisory Board meetings were held during the reporting period.

Further meetings were not required. No member of the Supervisory Board was absent from more than half of the meetings held.

In addition to the mandatory Audit Committee, a Strategy Committee and a Personnel and Compensation Committee (Nominating Committee) have been established.

The functional responsibilities of the Supervisory Board members in the respective committees are listed below.

Supervisory Board committees in the 2019 financial year

Audit Committee

Members

- Jiajia DAI (Chairwoman)
- Jing GUO
- George MAFFEO
- Barbara HUBER (until 12.09.2019)

Personnel and Compensation Committee

Members

- Ruguang GENG (Chairman)
- Zhen PANG
- Qinghong LIU
- Weixi GONG
- Junqi SHENG

Strategy Committee

Members

- Zhen PANG (Chairman)
- Qinghong LIU
- Ruguang GENG
- Jing GUO
- George MAFFEO
- Junqi SHENG
- Ulrike REITER
-

Transactions of the Supervisory Board requiring approval (Rule L-48 ÖCGK)

No transactions requiring approval were approved for members of the Supervisory Board in the 2019 financial year.

A consulting agreement was concluded in the 2018/19 financial year with George Maffeo due to his experience with and knowledge of the US market.

Collaboration between the Management Board and the Supervisory Board

The Management Board reports to the Supervisory Board on fundamental issues relating to the future business policy of the company and the entire Group as well as the future development of the net assets position, financial position and profit situation.

Furthermore, the Management Board regularly informs the Supervisory Board of the business development and the situation of the company and the Group as a whole with respect to forecasts, taking into account future developments.

depending on the length of service arise in accordance with statutory provisions.

REMUNERATION REPORT

Remuneration of the Management Board members

When deciding on the total remuneration of the Management Board members, the Supervisory Board must ensure that the remuneration is commensurate with the tasks and performance of the individual Management Board members and reflects the company situation and customary remuneration, and that long-term incentives for sustainable corporate development are taken into account. The remuneration consists of fixed and variable components.

The development of the operating result (EBIT) represents the most important parameter for calculating variable remuneration in addition to the performance-related achievement of targets individually agreed with the Management Board members.

An upper limit has been set for the variable remuneration component.

In the 2019 financial year, variable remuneration accounted for 23 percent of the total remuneration of all members of the Management Board.

No stock options program has been put in place for members of the Management Board or for executive employees.

Total remuneration of the Management Board members amounted to kEUR 1,359 in the 2019 financial year (previous year: kEUR 1,749). The variable component of total remuneration relates to the 2017/18 financial year.

| In kEUR | Fixed | Variable | Total |
|--------------------|-------|----------|-------|
| Robert Machtlinger | 332 | 106 | 438 |
| Andreas Ockel | 322 | 20 | 342 |
| Aleš Stárek | 260 | 71 | 341 |
| Yongsheng Wang | 190 | 56 | 246 |

A D&O insurance is in place, the costs of which are borne by the company.

Members of the Management Board are enrolled in a defined-contribution pension plan, expenses for which totaled kEUR 176 in the 2019 financial year (previous year: kEUR 200).

In the event of premature termination of management contracts by the Supervisory Board, claims exist with regard to base salaries. In the case of regular termination, claims to termination benefits

Remuneration of the Supervisory Board members

The remuneration of the Supervisory Board members for the 2018/19 financial year, resolved at the 2019 Annual General Meeting, amounts to kEUR 275. The attendance allowance is broken down as follows:

An attendance allowance is granted for participation in Supervisory Board meetings. Depending on the respective function (chairpersons), responsibilities (committee members), expertise and experience, the amount ranges between EUR 2,000 and EUR 2,500, and between EUR 1,000 and EUR 1,250 (chairpersons) for preparing and attending the Annual General Meeting. As a second component, fixed remuneration in the range of EUR 25,000 to EUR 37,500 including, where applicable, mandatory taxes is paid according to the volume of preparatory work and cooperation with the Management Board.

| | Name | Attendance allowance in EUR | Fixed remuneration in EUR |
|--|---------------|-----------------------------|---------------------------|
| Chairman of the Supervisory Board | Ruguang Geng | 2,500 | 31,250 |
| Vice Chairman of the Supervisory Board | Zhen Pang | 2,300 | - |
| Committee chairpersons | Ruguang Geng | | |
| | Zhen Pang | | |
| | Wenbiao Han | | |
| Committee members | Jiajia Dai | - | - |
| | Jing Guo | 2,200 | - |
| | George Maffeo | 2,000 | 20,833 |
| | Qinghong Liu | 2,000 | - |
| | Weixi Gong | 2,000 | 20,833 |
| | Junqi Sheng | 2,200 | 20,833 |
| | Jing Guo | 2,200 | - |

In addition, members of the Supervisory Board receive a one-off attendance allowance in the range of EUR 1,000 to EUR 1,250 for preparatory activities in connection with the Annual General Meeting and constituent meetings.

Members delegated by the Works Council are not entitled to an attendance allowance.

DIVERSITY

When electing members of the Supervisory Board, the Annual General Meeting must pay due attention to the requirements with respect to professional and personal qualifications as well as the balanced composition of expert know-how. Due regard must also be paid to diversity in terms of gender, age distribution and internationality. Newly elected Supervisory Board members are obliged to obtain adequate information on the organization and activities of the company and on the tasks and responsibilities of supervisory boards. Women have been represented on the Supervisory Board of FACC AG since the company was first listed on the Vienna Stock Exchange. At the end of the 2019 financial year, the proportion of female members of the Supervisory Board was 40% (5 out of 12).

Promoting women on the Management Board, Supervisory Board and in executive positions

Fourteen women are currently represented on the Supervisory Board, Management Board and in other top management positions at FACC. At lower echelons, the proportion of female managers is low. FACC therefore continues to attend job fairs and specifically addresses female high potentials. Increased efforts are being made to recruit women for new management positions and replacements. However, the fact that the vast majority of management positions at FACC require a professional technical background proves to be an obstacle.

FACC AG is committed to equal opportunities in the workplace and resolutely opposes any form of discrimination against female employees.

Shareholder rights

Each share grants shareholders one vote at the Annual General Meeting of FACC AG. Unless mandatory provisions of the Austrian Stock Corporation Act provide otherwise, resolutions of the Annual General Meeting are adopted by simple majority and, in cases where a capital majority is required, by a simple majority of the share capital represented at the time of adoption of the resolution. There are no shares conferring special control rights.

Directors' Dealings

Share purchases and sales by members of the Management Board and Supervisory Board are disclosed in accordance with applicable legal provisions (Article 19 of the Austrian Market Abuse Directive). Share purchases and sales are published on the company homepage at www.facc.com.

Changes after the balance sheet date

No changes in circumstances subject to mandatory reporting occurred between the balance sheet date and the editorial deadline of this Report.

Auditor

Ernst & Young Wirtschaftsprüfungs GmbH, Linz, was proposed by the Supervisory Board as auditor and Group auditor of FACC AG for the 2019 financial year. The motion was adopted by the Annual General Meeting on 9 July 2019 with the requisite majority.

Expenses for auditing services in the 2019 financial year amounted to kEUR 273 (previous year: kEUR 180). The breakdown according to individual areas is shown in the Notes to the Consolidated Financial Statements.

4. BESTÄTIGUNGSVERMERK *)

Bericht zum Jahresabschluss

Prüfungsurteil

Wir haben den Jahresabschluss der

FACC AG, Ried im Innkreis,

bestehend aus der Bilanz zum 31. Dezember 2019, der Gewinn- und Verlustrechnung für das an diesem Stichtag endende Rumpfgeschäftsjahr und dem Anhang, geprüft.

Nach unserer Beurteilung entspricht der beigefügte Jahresabschluss den gesetzlichen Vorschriften und vermittelt ein möglichst getreues Bild der Vermögens- und Finanzlage zum 31. Dezember 2019 sowie der Ertragslage der Gesellschaft für das an diesem Stichtag endende Rumpfgeschäftsjahr in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften.

Grundlage für das Prüfungsurteil

Wir haben unsere Abschlussprüfung in Übereinstimmung mit der EU-Verordnung Nr. 537/2014 (im Folgenden EU-VO) und mit den österreichischen Grundsätzen ordnungsmäßiger Abschlussprüfung durchgeführt. Diese Grundsätze erfordern die Anwendung der International Standards on Auditing (ISA). Unsere Verantwortlichkeiten nach diesen Vorschriften und Standards sind im Abschnitt "Verantwortlichkeiten des Abschlussprüfers für die Prüfung des Jahresabschlusses" unseres Bestätigungsvermerks weitergehend beschrieben. Wir sind von der Gesellschaft unabhängig in Übereinstimmung mit den österreichischen unternehmensrechtlichen und berufsrechtlichen Vorschriften, und wir haben unsere sonstigen beruflichen Pflichten in Übereinstimmung mit diesen Anforderungen erfüllt. Wir sind der Auffassung, dass die von uns erlangten Prüfungsnachweise ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zu dienen.

Besonders wichtige Prüfungssachverhalte

Besonders wichtige Prüfungssachverhalte sind solche Sachverhalte, die nach unserem pflichtgemäßen Ermessen am bedeutendsten für unsere Prüfung des Jahresabschlusses des Rumpfgeschäftsjahres waren. Diese Sachverhalte wurden im Zusammenhang mit unserer Prüfung des Jahresabschlusses als Ganzem und bei der Bildung unseres Prüfungsurteils hierzu berücksichtigt, und wir geben kein gesondertes Prüfungsurteil zu diesen Sachverhalten ab.

Nachfolgend stellen wir die aus unserer Sicht besonders wichtigen Prüfungssachverhalte dar:

1. Bewertung von Anteilen an verbundenen Unternehmen sowie Forderungen gegenüber verbundenen Unternehmen

Beschreibung

Im Jahresabschluss der FACC AG zum 31. Dezember 2019 sind die Anteile an verbundenen Unternehmen (267,8 Mio. €) und Forderungen gegenüber verbundenen Unternehmen (31,6 Mio. €) ausgewiesen.

Die Beurteilung der Werthaltigkeit von Anteilen an verbundenen Unternehmen und Forderungen gegenüber verbundenen Unternehmen erfordert wesentliche Annahmen und Schätzungen der gesetzlichen Vertreter zur Beurteilung, ob eine Wertminderung zum Geschäftsjahresende vorliegt sowie gegebenenfalls zur Quantifizierung solcher Wertminderungen.

Das wesentliche Risiko besteht dabei in der Schätzung der zukünftigen Cash-Flows der Tochterunternehmen, welche zur Feststellung der Werthaltigkeit dieser Bilanzpositionen herangezogen werden. Diese Cash-Flow Schätzungen beinhalten Annahmen, die von zukünftigen Markt- und Wirtschaftsentwicklungen beeinflusst werden.

Die Angaben der Gesellschaft zu Anteilen an verbundenen Unternehmen und Forderungen gegenüber verbundenen Unternehmen sind im Jahresabschluss der FACC AG im Anhang in den Bilanzierungs- und Bewertungsmethoden zu Finanzanlagen und zu Forderungen und sonstigen Vermögensgegenständen sowie in den Erläuterungen zur Bilanz und im Anlagespiegel zum 31. Dezember 2019 erläutert.

Adressierung im Rahmen der Abschlussprüfung

Um dieses Risiko zu adressieren, haben wir die Annahmen und Schätzungen des Managements kritisch hinterfragt und dabei unter anderem die folgenden Prüfungshandlungen durchgeführt:

- Prüfung der angewandten Methodik, der rechnerischen Richtigkeit der vorgelegten Unterlagen und Berechnungen sowie Plausibilisierung der Diskontierungssätze unter Beiziehung von unseren internen Bewertungsspezialisten
- Überprüfung, ob Indikatoren auf eine mögliche Wertminderung vorliegen
- Durchsicht der Planungsunterlagen sowie Plausibilisierung und Analyse der wesentlichen Werttreiber (Umsatz, Aufwendungen, Investitionen und Veränderungen im Working Capital), um die Angemessenheit dieser Planungen zu verifizieren
- Prüfung der Vollständigkeit der Angaben im Anhang

Verantwortlichkeiten der gesetzlichen Vertreter und des Prüfungsausschusses für den Jahresabschluss

Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung des Jahresabschlusses und dafür, dass dieser in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft vermittelt. Ferner sind die gesetzlichen Vertreter verantwortlich für die internen Kontrollen, die sie als notwendig erachten, um die Aufstellung eines Jahresabschlusses zu ermöglichen, der frei von wesentlichen - beabsichtigten oder unbeabsichtigten - falschen Darstellungen ist.

Bei der Aufstellung des Jahresabschlusses sind die gesetzlichen Vertreter dafür verantwortlich, die Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit zu beurteilen, Sachverhalte im Zusammenhang mit der Fortführung der Unternehmenstätigkeit - sofern einschlägig - anzugeben, sowie dafür, den Rechnungslegungsgrundsatz der Fortführung der Unternehmenstätigkeit anzuwenden, es sei denn, die gesetzlichen Vertreter beabsichtigen, entweder die Gesellschaft zu liquidieren oder die Unternehmenstätigkeit einzustellen oder haben keine realistische Alternative dazu.

Der Prüfungsausschuss ist verantwortlich für die Überwachung des Rechnungslegungsprozesses der Gesellschaft.

Verantwortlichkeiten des Abschlussprüfers für die Prüfung des Jahresabschlusses

Unsere Ziele sind, hinreichende Sicherheit darüber zu erlangen, ob der Jahresabschluss als Ganzes frei von wesentlichen - beabsichtigten oder unbeabsichtigten - falschen Darstellungen ist, und einen Bestätigungsvermerk zu erteilen, der unser Prüfungsurteil beinhaltet. Hinreichende Sicherheit ist ein hohes Maß an Sicherheit, aber keine Garantie dafür, dass eine in Übereinstimmung mit der EU-VO und mit den österreichischen Grundsätzen ordnungsmäßiger Abschlussprüfung, die die Anwendung der ISA erfordern, durchgeführte Abschlussprüfung eine wesentliche falsche Darstellung, falls eine solche vorliegt, stets aufdeckt. Falsche Darstellungen können aus dolosen Handlungen oder Irrtümern resultieren und werden als wesentlich angesehen, wenn von ihnen einzeln oder insgesamt vernünftigerweise erwartet werden könnte, dass sie die auf der Grundlage dieses Jahresabschlusses getroffenen wirtschaftlichen Entscheidungen von Nutzern beeinflussen.

Als Teil einer Abschlussprüfung in Übereinstimmung mit der EU-VO und mit den österreichischen Grundsätzen ordnungsmäßiger Abschlussprüfung, die die Anwendung der ISA erfordern, üben wir während der gesamten Abschlussprüfung pflichtgemäßes Ermessen aus und bewahren eine kritische Grundhaltung.

Darüber hinaus gilt:

- Wir identifizieren und beurteilen die Risiken wesentlicher – beabsichtigter oder unbeabsichtigter – falscher Darstellungen im Abschluss, planen Prüfungshandlungen als Reaktion auf diese Risiken, führen sie durch und erlangen Prüfungsnachweise, die ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zu dienen. Das Risiko, dass aus dolosen Handlungen resultierende wesentliche falsche Darstellungen nicht aufgedeckt werden, ist höher als ein aus Irrtümern resultierendes, da dolose Handlungen betrügerisches Zusammenwirken, Fälschungen, beabsichtigte Unvollständigkeiten, irreführende Darstellungen oder das Außerkraftsetzen interner Kontrollen beinhalten können.
- Wir gewinnen ein Verständnis von dem für die Abschlussprüfung relevanten internen Kontrollsystem, um Prüfungshandlungen zu planen, die unter den gegebenen Umständen angemessen sind, jedoch nicht mit dem Ziel, ein Prüfungsurteil zur Wirksamkeit des internen Kontrollsystems der Gesellschaft abzugeben.
- Wir beurteilen die Angemessenheit der von den gesetzlichen Vertretern angewandten Rechnungslegungsmethoden sowie die Vertretbarkeit der von den gesetzlichen Vertretern dargestellten geschätzten Werte in der Rechnungslegung und damit zusammenhängende Angaben.
- Wir ziehen Schlussfolgerungen über die Angemessenheit der Anwendung des Rechnungslegungsgrundsatzes der Fortführung der Unternehmenstätigkeit durch die gesetzlichen Vertreter sowie, auf der Grundlage der erlangten Prüfungsnachweise, ob eine wesentliche Unsicherheit im Zusammenhang mit Ereignissen oder Gegebenheiten besteht, die erhebliche Zweifel an der Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit aufwerfen kann. Falls wir die Schlussfolgerung ziehen, dass eine wesentliche Unsicherheit besteht, sind wir verpflichtet, in unserem Bestätigungsvermerk auf die dazugehörigen Angaben im Jahresabschluss aufmerksam zu machen oder, falls diese Angaben unangemessen sind, unser Prüfungsurteil zu modifizieren. Wir ziehen unsere Schlussfolgerungen auf der Grundlage der bis zum Datum unseres Bestätigungsvermerks erlangten Prüfungsnachweise. Zukünftige Ereignisse oder Gegebenheiten können jedoch die Abkehr der Gesellschaft von der Fortführung der Unternehmenstätigkeit zur Folge haben.
- Wir beurteilen die Gesamtdarstellung, den Aufbau und den Inhalt des Jahresabschlusses einschließlich der Angaben sowie ob der Jahresabschluss die zugrunde liegenden Geschäftsvorfälle und Ereignisse in einer Weise wiedergibt, dass ein möglichst getreues Bild erreicht wird.

Wir tauschen uns mit dem Prüfungsausschuss unter anderem über den geplanten Umfang und die geplante zeitliche Einteilung der Abschlussprüfung sowie über bedeutsame Prüfungsfeststellungen, einschließlich etwaiger bedeutsamer Mängel im internen Kontrollsystem, die wir während unserer Abschlussprüfung erkennen, aus.

Wir geben dem Prüfungsausschuss auch eine Erklärung ab, dass wir die relevanten beruflichen Verhaltensanforderungen zur Unabhängigkeit eingehalten haben, und tauschen uns mit ihm über alle Beziehungen und sonstigen Sachverhalte aus, von denen vernünftigerweise angenommen werden kann, dass sie sich auf unsere Unabhängigkeit und - sofern einschlägig - damit zusammenhängende Schutzmaßnahmen auswirken.

Wir bestimmen von den Sachverhalten, über die wir uns mit dem Prüfungsausschuss ausgetauscht haben, diejenigen Sachverhalte, die am bedeutsamsten für die Prüfung des Jahresabschlusses des Rumpfgeschäftsjahres waren und daher die besonders wichtigen Prüfungssachverhalte sind. Wir beschreiben diese Sachverhalte in unserem Bestätigungsvermerk, es sei denn, Gesetze oder andere Rechtsvorschriften schließen die öffentliche Angabe des Sachverhalts aus oder wir bestimmen in äußerst seltenen Fällen, dass ein Sachverhalt nicht in unserem Bestätigungsvermerk mitgeteilt werden sollte, weil vernünftigerweise erwartet wird, dass die negativen Folgen einer solchen Mitteilung deren Vorteile für das öffentliche Interesse übersteigen würden.

Sonstige gesetzliche und andere rechtliche Anforderungen

Bericht zum Lagebericht

Der Lagebericht ist auf Grund der österreichischen unternehmensrechtlichen Vorschriften darauf zu prüfen, ob er mit dem Jahresabschluss in Einklang steht und ob er nach den geltenden rechtlichen Anforderungen aufgestellt wurde.

Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung des Lageberichts in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften.

Wir haben unsere Prüfung in Übereinstimmung mit den Berufsgrundsätzen zur Prüfung des Lageberichts durchgeführt.

Urteil

Nach unserer Beurteilung ist der Lagebericht nach den geltenden rechtlichen Anforderungen aufgestellt worden, enthält zutreffende Angaben nach § 243a UGB, und steht in Einklang mit dem Jahresabschluss.

Erklärung

Angesichts der bei der Prüfung des Jahresabschlusses gewonnenen Erkenntnisse und des gewonnenen Verständnisses über die Gesellschaft und ihr Umfeld wurden wesentliche fehlerhafte Angaben im Lagebericht nicht festgestellt.

Sonstige Informationen

Die gesetzlichen Vertreter sind für die sonstigen Informationen verantwortlich. Die sonstigen Informationen beinhalten alle Informationen im Jahresfinanzbericht, ausgenommen den Jahresabschluss, den Lagebericht und den Bestätigungsvermerk, wobei uns der konsolidierte Corporate Governance Bericht vor dem Datum des Bestätigungsvermerks zur Verfügung gestellt wurde. Der gesonderte konsolidierte nicht finanzielle Bericht wurde uns im Entwurf vorgelegt. Der vollständige Jahresfinanzbericht und der finale nicht finanzielle Bericht werden uns voraussichtlich nach dem Datum des Bestätigungsvermerks zur Verfügung gestellt. Unser Prüfungsurteil zum Jahresabschluss deckt diese sonstigen Informationen nicht ab und wir werden keine Art der Zusicherung darauf geben.

In Verbindung mit unserer Prüfung des Jahresabschlusses ist es unsere Verantwortung diese sonstigen Informationen zu lesen, sobald diese vorhanden sind und abzuwägen, ob sie angesichts des bei der Prüfung gewonnenen Verständnisses wesentlich in Widerspruch zum Jahresabschluss stehen, oder sonst wesentlich falsch dargestellt erscheinen. Bezüglich der bereits vorliegenden sonstigen Informationen haben wir nichts zu berichten.

Zusätzliche Angaben nach Artikel 10 der EU-VO

Wir wurden von der Hauptversammlung am 9. Juli 2019 als Abschlussprüfer gewählt. Wir wurden am 26. September 2019 vom Aufsichtsrat beauftragt. Wir sind ununterbrochen seit dem Geschäftsjahr 2016/17 Abschlussprüfer.

Wir erklären, dass das Prüfungsurteil im Abschnitt "Bericht zum Jahresabschluss" mit dem zusätzlichen Bericht an den Prüfungsausschuss nach Artikel 11 der EU-VO in Einklang steht.

Wir erklären, dass wir keine verbotenen Nichtprüfungsleistungen (Artikel 5 Abs 1 der EU-VO) erbracht haben und dass wir bei der Durchführung der Abschlussprüfung unsere Unabhängigkeit von der geprüften Gesellschaft gewahrt haben.

Auftragsverantwortlicher Wirtschaftsprüfer

Der für die Abschlussprüfung auftragsverantwortliche Wirtschaftsprüferin ist Frau Mag. Johanna Hobelsberger-Gruber.

Linz, am 6. März 2020

Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Johanna Hobelsberger-Gruber eh
Wirtschaftsprüferin

ppa DI (FH) Hans Eduard Seidel eh
Wirtschaftsprüfer

*) Die Veröffentlichung oder Weitergabe des Jahresabschlusses mit unserem Bestätigungsvermerk darf nur in der von uns bestätigten Fassung erfolgen. Dieser Bestätigungsvermerk bezieht sich ausschließlich auf den deutschsprachigen und vollständigen Jahresabschluss samt Lagebericht. Für abweichende Fassungen sind die Vorschriften des § 281 Abs 2 UGB zu beachten.

JAHRESABSCHLUSS UND LAGEBERICHT

ZUM 31. DEZEMBER 2019

DER

FACC AG, RIED IM INNKREIS

Bilanz zum 31. Dezember 2019

Aktiva

| | 31.12.2019 EUR | 28.2.2019 TEUR |
|---|-----------------------|-------------------|
| A. Anlagevermögen | | |
| I. Immaterielle Vermögensgegenstände: | | |
| 1. Geleistete Anzahlungen | 7.243,16 | 0 |
| II. Finanzanlagen: | | |
| 1. Anteile an verbundenen Unternehmen | 267.822.715,00 | 267.823 |
| 2. Wertpapiere (Wertrechte) des Anlagevermögens | 1.938.274,16 | 1.889 |
| | <u>269.760.989,16</u> | <u>269.712</u> |
| | 269.768.232,32 | 269.712 |
| B. Umlaufvermögen | | |
| I. Forderungen und sonstige Vermögensgegenstände: | | |
| 1. Forderungen gegenüber verbundenen Unternehmen | 31.591.146,99 | 32.181 |
| <i>davon mit einer Restlaufzeit von mehr als einem Jahr</i> | <i>0,00</i> | <i>0</i> |
| 2. Sonstige Forderungen und Vermögensgegenstände | 8.860.681,43 | 12.682 |
| <i>davon mit einer Restlaufzeit von mehr als einem Jahr</i> | <i>0,00</i> | <i>0</i> |
| | <u>40.451.828,42</u> | <u>44.863</u> |
| II. Kassenbestand, Schecks, Guthaben bei Kreditinstituten | <u>239.540,48</u> | <u>354</u> |
| | 40.691.368,90 | 45.217 |
| C. Rechnungsabgrenzungsposten | 193.354,24 | 242 |
| D. Aktive latente Steuern | 22.245.232,26 | 24.526 |
| SUMME AKTIVA | 332.898.187,72 | 339.697 |

Passiva

| | 31.12.2019 EUR | 28.2.2019 TEUR |
|--|-----------------------|-------------------|
| A. Eigenkapital | | |
| I. Eingefordertes, übernommenes und eingezahltes Grundkapital | 45.790.000,00 | 45.790 |
| II. Kapitalrücklagen: | | |
| 1. Gebundene | 134.215.000,00 | 134.215 |
| 2. Nicht gebundene | 95.041.250,00 | 95.041 |
| | <u>229.256.250,00</u> | <u>229.256</u> |
| III. Bilanzgewinn (<i>davon Gewinnvortrag EUR 16.063.129,49; Vorjahr: TEUR 16.137</i>) | 24.109.525,39 | 22.932 |
| | 299.155.775,39 | 297.978 |
| B. Rückstellungen | | |
| 1. Rückstellungen für Abfertigungen | 791.467,09 | 625 |
| 2. Rückstellungen für Pensionen | 1.938.274,16 | 1.889 |
| 3. Steuerrückstellungen | 20.253.574,73 | 24.332 |
| 4. Sonstige Rückstellungen | 1.279.297,10 | 1.938 |
| | <u>24.262.613,08</u> | <u>28.784</u> |
| C. Verbindlichkeiten | | |
| 1. Verbindlichkeiten aus Lieferungen und Leistungen | 555.471,13 | 247 |
| <i>davon mit einer Restlaufzeit bis zu einem Jahr</i> | 555.471,13 | 247 |
| <i>davon mit einer Restlaufzeit von mehr als einem Jahr</i> | 0,00 | 0 |
| 2. Verbindlichkeiten gegenüber verbundenen Unternehmen | 8.814.572,84 | 12.582 |
| <i>davon mit einer Restlaufzeit bis zu einem Jahr</i> | 8.814.572,84 | 12.582 |
| <i>davon mit einer Restlaufzeit von mehr als einem Jahr</i> | 0,00 | 0 |
| 3. Sonstige Verbindlichkeiten | 109.755,28 | 106 |
| <i>davon mit einer Restlaufzeit bis zu einem Jahr</i> | 109.755,28 | 106 |
| <i>davon mit einer Restlaufzeit von mehr als einem Jahr</i> | 0,00 | 0 |
| <i>davon aus Steuern</i> | 10.209,67 | 9 |
| <i>davon mit einer Restlaufzeit bis zu einem Jahr</i> | 10.209,67 | 9 |
| <i>davon mit einer Restlaufzeit von mehr als einem Jahr</i> | 0,00 | 0 |
| <i>davon im Rahmen der sozialen Sicherheit</i> | 88.991,81 | 82 |
| <i>davon mit einer Restlaufzeit bis zu einem Jahr</i> | 88.991,81 | 82 |
| <i>davon mit einer Restlaufzeit von mehr als einem Jahr</i> | 0,00 | 0 |
| Summe Verbindlichkeiten | <u>9.479.799,25</u> | <u>12.935</u> |
| <i>davon mit einer Restlaufzeit bis zu einem Jahr</i> | 9.479.799,25 | 12.935 |
| <i>davon mit einer Restlaufzeit von mehr als einem Jahr</i> | 0,00 | 0 |
| SUMME PASSIVA | 332.898.187,72 | 339.697 |

Gewinn- und Verlustrechnung für das Rumpfgeschäftsjahr vom 1. März 2019 bis 31. Dezember 2019

| | 01.03.-31.12.2019 EUR | 2018/19 TEUR |
|--|--------------------------|-----------------|
| 1. Umsatzerlöse | 8.500.000,00 | 10.533 |
| 2. Andere aktivierte Eigenleistungen | 7.243,16 | 0 |
| 3. Sonstige betriebliche Erträge | | |
| a) Erträge aus der Auflösung von Rückstellungen | 13.640,00 | 146 |
| b) Übrige | 503.607,39 | 459 |
| | 517.247,39 | 604 |
| 4. Aufwendungen für Material und sonstige bezogene Herstellungsleistungen | | |
| a) Materialaufwand | -7.641,75 | 0 |
| 5. Personalaufwand | | |
| a) Gehälter | -2.965.331,58 | -4.370 |
| b) Soziale Aufwendungen | -1.282.290,84 | -1.489 |
| <i>davon Aufwendungen für Altersversorgung</i> | -211.864,85 | -240 |
| <i>aa) Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeitervorsorgekassen</i> | -204.331,22 | -286 |
| <i>bb) Aufwendungen für gesetzlich vorgeschriebene Sozialabgaben sowie vom Entgelt abhängige Abgaben und Pflichtbeiträge</i> | -798.175,05 | -867 |
| | -4.247.622,42 | -5.859 |
| 6. Abschreibungen | | |
| a) auf immaterielle Gegenstände des Anlagevermögens und Sachanlagen | -1.988,60 | -5 |
| | -1.988,60 | -5 |
| 7. Sonstige betriebliche Aufwendungen | | |
| a) Übrige | -3.895.449,02 | -4.270 |
| 8. Zwischensumme aus Z 1 bis 7 (Betriebsergebnis) | 871.788,76 | 1.003 |
| 9. Erträge aus Beteiligungen | 7.000.000,00 | 5.700 |
| <i>davon aus verbundenen Unternehmen</i> | 7.000.000,00 | 5.700 |
| 10. Sonstige Zinsen und ähnliche Erträge | 97.716,66 | 29 |
| <i>davon aus verbundenen Unternehmen</i> | 97.716,66 | 29 |
| 11. Zinsen und ähnliche Aufwendungen | -176,53 | 0 |
| <i>davon aus verbundenen Unternehmen</i> | 0,00 | 0 |
| 12. Zwischensumme aus Z 9 bis 11 (Finanzergebnis) | 7.097.540,13 | 5.729 |
| 13. Ergebnis vor Steuern | 7.969.328,89 | 6.732 |
| 14. Steuern vom Einkommen (und vom Ertrag) | 77.067,01 | 63 |
| <i>davon latente Steuern</i> | 41.057,76 | 58 |
| Körperschaftsteuer aus Gruppenbesteuerung | 36.009,25 | 5 |
| <i>davon weiterbelastet an Gruppenmitglied</i> | 859.698,03 | 611 |
| 15. Ergebnis nach Steuern | 8.046.395,90 | 6.795 |
| 16. Jahresüberschuss | 8.046.395,90 | 6.795 |
| 17. Gewinnvortrag aus dem Vorjahr | 16.063.129,49 | 16.137 |
| 18. Bilanzgewinn | 24.109.525,39 | 22.932 |

Anhang für das Rumpfgeschäftsjahr vom 1. März bis 31. Dezember 2019 der FACC AG, Ried im Innkreis

I. Allgemeine Angaben

Der vorliegende Jahresabschluss für das Rumpfgeschäftsjahr vom 1. März bis 31. Dezember 2019 wurde von der Geschäftsführung der Gesellschaft nach den Vorschriften des österreichischen Unternehmensgesetzbuches (UGB) aufgestellt.

Die Gesellschaft ist als große Kapitalgesellschaft gemäß § 221 UGB einzustufen.

Soweit es zur Vermittlung eines möglichst getreuen Bildes der Vermögens-, Finanz- und Ertragslage erforderlich ist, wurden im Anhang zusätzliche Angaben gemacht.

Die FACC AG mit Sitz in Ried im Innkreis stellt einen Konzernabschluss als Mutterunternehmen der FACC Operations GmbH auf, der beim Firmenbuchgericht in Ried im Innkreis veröffentlicht wird. Die FACC Operations GmbH erstellt einen Teilkonzernabschluss, der unter der Firmenbuchnummer 114257a veröffentlicht wird.

Die FACC AG befindet sich im Konsolidierungskreis der Aviation Industry Corporation of China, Ltd. mit Sitz in Hong Kong (Room 2201, 22/F, Fairmont House, 8 Cotton Tree Drive, Admiralty, Hong Kong), Firmenbuchnummer 91110000710935732K.

Der FACC AG obliegt die Holdingfunktion. Als Muttergesellschaft der FACC Operations GmbH übernimmt sie Managementtätigkeiten und Financial Services für den Konzern.

Die Vorjahreszahlen sind aufgrund der Änderung des Bilanzstichtages vom 28. Februar auf den 31. Dezember und des daraus resultierenden Rumpfgeschäftsjahres nicht vergleichbar.

II. Bilanzierungs- und Bewertungsmethoden

Der Jahresabschluss für das Rumpfgeschäftsjahr vom 1. März bis 31. Dezember 2019 wurde unter Beachtung der Grundsätze ordnungsmäßiger Buchführung sowie der Generalnorm, ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage des Unternehmens zu vermitteln, aufgestellt.

Bei der Erstellung des Jahresabschlusses wurde der Grundsatz der Vollständigkeit eingehalten.

Bei der Bewertung wurde von der Fortführung des Unternehmens ausgegangen.

Bei den Vermögensgegenständen und Schulden wurde der Grundsatz der Einzelbewertung angewandt.

Dem Vorsichtsgrundsatz wurde Rechnung getragen, indem insbesondere nur die am Abschlussstichtag verwirklichten Gewinne ausgewiesen werden. Alle erkennbaren Risiken und drohenden Verluste, die bis zum Bilanzstichtag entstanden sind, wurden berücksichtigt.

Alle erkennbaren Risiken und drohenden Verluste, die im Rumpfgeschäftsjahr vom 1. März bis 31. Dezember 2019 oder in einem früheren Geschäftsjahr entstanden sind, wurden berücksichtigt.

Schätzungen beruhen auf einer umsichtigen Beurteilung. Soweit statistisch ermittelbare Erfahrungen aus gleich gelagerten Sachverhalten vorhanden sind, hat das Unternehmen diese bei Schätzungen berücksichtigt.

Anlagevermögen

Die erworbenen **immateriellen Vermögensgegenstände** werden zu Anschaffungskosten bewertet, die um die planmäßige Abschreibung vermindert sind. Die planmäßige Abschreibung der Software und Lizenzen wird linear vorgenommen.

Sachanlagen werden zu Anschaffungs- oder Herstellungskosten, abzüglich planmäßiger Abschreibungen, bewertet. Geringwertige Vermögensgegenstände (Einzelanschaffungswert bis EUR 400,00) werden im Zugangsjahr aktiviert und sofort abgeschrieben. Gemäß den steuerrechtlichen Vorschriften wird für Zugänge im ersten Halbjahr eine volle Jahresabschreibung, für Zugänge im zweiten Halbjahr eine halbe Jahresabschreibung vorgenommen.

Die Finanzanlagen werden zu Anschaffungskosten oder, falls ihnen ein niedrigerer Wert beizulegen ist, mit diesem angesetzt, wenn die Wertminderungen voraussichtlich von Dauer sind.

Anteile an verbundenen Unternehmen werden grundsätzlich zu Anschaffungskosten bewertet. Außerplanmäßige Abschreibungen werden vorgenommen, wenn der zum Abschlussstichtag beizulegende Wert niedriger ist als der Buchwert und die Wertminderungen voraussichtlich von Dauer sind. Der beizulegende Wert wird nach KFS/BW 1 mittels eines Discounted Cash-Flow Verfahren ermittelt.

Wertpapiere (Wertrechte) des Anlagevermögens werden zu den Anschaffungskosten bewertet. Ausleihungen werden zu Anschaffungskosten bilanziert.

Forderungen und sonstige Vermögensgegenstände

Forderungen und sonstige Vermögensgegenstände werden mit dem Nennbetrag angesetzt.

Zuschreibungen zu Vermögensgegenständen des Umlaufvermögens werden vorgenommen, wenn die Gründe für die Abschreibung nachhaltig weggefallen sind.

Aktiv latente Steuern

Latente Steuern werden gemäß § 198 Abs 9 und 10 UGB nach dem bilanzorientierten Konzept und ohne Abzinsung auf Basis des aktuellen Körperschaftsteuersatzes von 25 % gebildet. Dabei werden, falls vorhanden, latente Steuern auf steuerliche Verlustvträge in dem Ausmaß berücksichtigt, in dem ausreichende passive latente Steuern vorhanden sind, oder soweit überzeugende substantielle Hinweise vorliegen, dass ein ausreichendes zu versteuerndes Ergebnis in der Zukunft zur Verfügung stehen wird.

Rückstellungen

Die Ermittlung der **Rückstellungen für Abfertigungen** erfolgen nach versicherungsmathematischen Grundsätzen unter der Anwendung der "Projected-Unit-Credit"-Methode gemäß IAS 19. Als Endzeitpunkt des Beschäftigungsverhältnisses fand das Alter 65 Berücksichtigung (unter Berücksichtigung der Frühpensionierungswahrscheinlichkeit gemäß den Altersgrenzen des ASVG §607 Abs. 10 bzw. des BVG Altersgrenzen § 3) (Vorjahr: Frauen 60/ Männer 65), eines Rechnungszinssatzes von 1,50 % (Vorjahr: 1,80 %) und geplanten Gehaltserhöhungen von 2,00 % (Vorjahr: 2,00 %). Bei der Berechnung wurde wie im Vorjahr kein Fluktuationsabschlag berücksichtigt. Versicherungsmathematische Gewinne und Verluste werden erfolgswirksam erfasst.

Rückstellungen für Jubiläumsgelder werden nach IAS 19 gebildet; die Vorsorge wird unter Zugrundelegung eines Rechnungszinssatzes von 1,20 % (Vorjahr: 1,60 %) und einer Gehaltssteigerung von 2,00 % pro Jahr (Vorjahr: 2,00 %) durchgeführt. Als Endzeitpunkt des Beschäftigungsverhältnisses fand das Alter 65 Berücksichtigung (unter Berücksichtigung der Frühpensionierungswahrscheinlichkeit gemäß den Altersgrenzen des ASVG § 607 Abs. 10 bzw. des BVG Altersgrenzen § 3). Weiters wurde ein Fluktuationsabschlag in Höhe von 4,61 % (Vorjahr: 7,93 %) berücksichtigt. Die Mitarbeiterfluktuation ist betriebsspezifisch ermittelt.

Die Verteilung des Dienstzeitaufwandes erfolgt über die gesamte Dienstzeit vom Eintritt in das Unternehmen bis zum Erreichen des gesetzlichen Pensionsalters.

Der Rechnungszinssatz für Abfertigungsrückstellungen und Jubiläumsgeldrückstellungen wird aus dem Stichtagszinssatz basierend auf Marktzinssätzen von Unternehmen hoher Bonität mit einer Restlaufzeit von 15 Jahren bei Abfertigungsrückstellungen sowie von 15 Jahren bei Jubiläumsgeldrückstellungen abgeleitet.

Die versicherungsmathematischen Gewinne und Verluste werden sofort erfolgswirksam erfasst.

Bei der Berechnung wurden die Rechnungsgrundlagen für die Sterbetafel AVÖ-2018-P zugrunde gelegt.

Die **Pensionsrückstellung** orientiert sich an der Höhe des von der Versicherung bestätigten Deckungskapitals, da die Pensionsansprüche vollständig von der Versicherung abgedeckt sind.

In den **sonstigen Rückstellungen** werden unter Beachtung des Vorsichtsprinzips alle zum Zeitpunkt der Bilanzerstellung erkennbaren Risiken und der Höhe und dem Grunde nach ungewisse Verbindlichkeiten mit den Beträgen berücksichtigt, die nach vernünftiger unternehmerischer Beurteilung erforderlich sind.

Verbindlichkeiten

Verbindlichkeiten sind mit dem Erfüllungsbetrag unter Bedachtnahme auf den Grundsatz der Vorsicht angesetzt.

III. Erläuterungen zur Bilanz

Immaterielles Anlagevermögen und Sachanlagen

Die Entwicklung der einzelnen Posten des Anlagevermögens und die Aufgliederung der Jahresabschreibung nach einzelnen Posten sind im Anlagenspiegel (vergleiche Anlage 1 zum Anhang) dargestellt.

Finanzanlagevermögen

Anteile an verbundenen Unternehmen

Die Gesellschaft hält an folgenden Unternehmen Beteiligungen (§ 189a Z 2 UGB):

| Beteiligungsunternehmen | Kapital- anteil | Wäh- rung | Eigenkapital | Jahresüberschuss | Bilanz- stichtag |
|--|--------------------|--------------|----------------|------------------|---------------------|
| | % | | EUR | EUR | |
| FACC Operations GmbH, Ried im Innkreis | 100 | EUR | 204.742.984,02 | 12.113.407,68 | 31.12.2019 |

Wertpapiere (Wertrechte des Anlagevermögens)

Bei den Wertrechten handelt es sich um die Rückkaufswerte der Pensionsrückdeckungsversicherung für die im Rumpfgeschäftsjahr vom 1. März bis 31. Dezember 2019 bestehenden Pensionsverpflichtungen des Konzerns. Diese werden zu dem von der Versicherung bestätigten Deckungskapital am Bilanzstichtag bewertet.

Der Wert entspricht in etwa den erwarteten Mittelzuflüssen bei der Auflösung der Versicherungspolizze zum Bilanzstichtag.

Diese Ansprüche wurden an den Berechtigten der Pensionszusage verpfändet.

Forderungen und sonstige Vermögensgegenstände

Die Forderungen gegenüber verbundenen Unternehmen sind solche aus Finanzmittelbereitstellung in Höhe von EUR 5.300.000,00 (Vorjahr: TEUR 9.500), aus laufender Verrechnung in Höhe von EUR 13.754.396,62 (Vorjahr: TEUR 12.303), aus der Steuerumlage in Höhe von EUR 5.536.750,37 (Vorjahr: TEUR 4.677), sowie Forderungen aus Gewinnausschüttung in Höhe von EUR 7.000.000,00 (Vorjahr: TEUR 5.700).

Die Forderung aus Gewinnausschüttung basiert auf einer phasengleichen Gewinnausschüttung der FACC Operations GmbH an die FACC AG, die zum 30.12.2019 beschlossen wurde.

Im Posten "Sonstige Forderungen und Vermögensgegenstände" sind analog zum Vorjahr keine Erträge enthalten, die erst nach dem Bilanzstichtag zahlungswirksam werden.

Rechnungsabgrenzungsposten

Zum Zwecke der Periodenabgrenzung waren zum Bilanzstichtag Rechnungsabgrenzungsposten in Höhe von EUR 193.354,24 (Vorjahr TEUR: 242) in die Bilanz einzustellen.

Aktive latente Steuern

Die aktiven latenten Steuern zum Bilanzstichtag wurden für temporäre Differenzen zwischen dem steuerlichen und unternehmensrechtlichen Wertansatz für folgende Posten gebildet:

| | 31.12.2019 EUR | 28.2.2019 EUR |
|---|-----------------------------|-----------------------------|
| Personalbezogene Rückstellungen | 700.816,09 | 536.585,05 |
| Steuerliche Verlustvorträge | <u>88.280.112,50</u> | <u>97.568.646,27</u> |
| | 88.980.928,59 | 98.105.231,32 |
| Daraus resultierende aktive latente Steuern | <u><u>22.245.232,12</u></u> | <u><u>24.526.307,83</u></u> |

Die aktiven latenten Steuern entwickelten sich wie folgt:

| | |
|--|-----------------------------|
| Stand am 1.3.2019 | 24.526.307,83 |
| Erfolgswirksame Veränderung | -2.281.075,57 |
| Erfolgsneutrale Veränderung aus Umgründungen | 0,00 |
| Stand am 31.12.2019 | <u><u>22.245.232,26</u></u> |

Der Ansatz von aktiven latenten Steuern auf steuerliche Verlustvorträge ist gerechtfertigt, da ausreichend positive Ergebnisse in den nächsten Geschäftsjahren zu erwarten sind.

Der für die Berechnung der latenten Steuern gewählte Steuersatz beträgt wie im Vorjahr 25 %.

Eigenkapital

Das Grundkapital der an der Börse notierenden Gesellschaft beträgt EUR 45.790.000,00 und ist voll eingezahlt. Es ist in 45.790.000 Stückaktien zu je EUR 1,00 eingeteilt.

Genehmigtes Kapital

In der Hauptversammlung vom 9. Juli 2019 wurde ein genehmigtes Kapital beschlossen. Der Vorstand ist demnach berechtigt, mit Zustimmung des Aufsichtsrats innerhalb von längstens fünf Jahren ab Eintragung des genehmigten Kapitals im Firmenbuch das Grundkapital um bis zu einer Nominale von EUR 9.000.000,00 durch Ausgabe von bis zu 9.000.000 neuen Aktien gegen Bar- oder Sacheinlage zu erhöhen. Die Ausgabe der neuen Aktien kann auch unter Ausschluss des Bezugsrechts der Aktionäre erfolgen.

Bedingtes Kapital

In der ordentlichen Hauptversammlung vom 9. Juli 2019 wurde ein genehmigtes bedingtes Kapital beschlossen. Der Vorstand ist demnach berechtigt, mit Zustimmung des Aufsichtsrats innerhalb von längstens fünf Jahren ab Eintragung des genehmigten bedingten Kapitals im Firmenbuch das Grundkapital um bis zu einer Nominale von EUR 3.000.000,00 durch Ausgabe von bis zu 3.000.000 neuen Aktien gegen Bar- oder Sacheinlage zu erhöhen. Dieses genehmigte bedingte Kapital dient der Einräumung von Aktienoptionen an Arbeitnehmer, leitende Angestellte und Mitglieder des Vorstandes der Gesellschaft oder eines mit ihr verbundenen Unternehmens im Rahmen eines Aktienoptionsplans der Gesellschaft. Die Kapitalerhöhung ist zweckgebunden und darf nur so weit durchgeführt werden, als Inhaber von Optionen aus einem Aktienoptionsplan der Gesellschaft diese ausüben.

Rückstellungen

Die Rückstellungen setzen sich wie folgt zusammen:

| | 31.12.2019 EUR | 28.2.2019 TEUR |
|----------------------------------|----------------------|-------------------|
| Rückstellungen für Abfertigungen | 791.467,09 | 625 |
| Rückstellungen für Pensionen | 1.938.274,16 | 1.889 |
| Steuerrückstellungen | 20.253.574,73 | 24.332 |
| Sonstige Rückstellungen | | |
| Personalrückstellungen | 527.555,55 | 1.371 |
| übrige | 751.741,55 | 567 |
| | <u>24.262.613,08</u> | <u>28.784</u> |

Die sonstigen Rückstellungen umfassen im Wesentlichen Vorsorgen für nicht konsumierte Urlaube, offene Honorare von Rechtsanwälten und sonstige ungewisse Verbindlichkeiten.

Verbindlichkeiten

Die Verbindlichkeiten weisen wie im Vorjahr zum Bilanzstichtag durchwegs Restlaufzeiten von unter einem Jahr auf. Es bestehen keine Verbindlichkeiten mit einer Restlaufzeit zwischen einem und fünf Jahren bzw. größer als fünf Jahren.

Die Verbindlichkeit gegenüber verbundenen Unternehmen in Höhe von EUR 8.814.572,84 besteht ausschließlich aus Umsatzsteuerguthaben des Organmitglieds FACC Operations GmbH, das aufgrund der umsatzsteuerlichen Organschaft über die FACC AG verrechnet wird (Vorjahr: TEUR 12.582).

Im Posten "sonstige Verbindlichkeiten" sind folgende wesentliche Aufwendungen enthalten, die erst nach dem Abschlussstichtag zahlungswirksam werden:

| | 31.12.2019 EUR | 28.2.2019 TEUR |
|---|-------------------|-------------------|
| Lohn- und Gehaltsverbindlichkeiten | 0,00 | 0 |
| Verbindlichkeiten gegenüber Gebietskrankenkasse | 88.991,81 | 82 |
| | <u>88.991,81</u> | <u>82</u> |

Es bestehen keine dinglichen Sicherheiten.

Haftungsverhältnisse

| | 31.12.2019 EUR | 28.2.2019 TEUR |
|---|----------------------|-------------------|
| sonstige Haftungsverhältnisse (Garantien) | <u>92.916.666,67</u> | <u>75.000</u> |
| | <u>92.916.666,67</u> | <u>75.000</u> |
| davon gegenüber verbundenen Unternehmen | 92.916.666,67 | 75.000 |

Die Gesellschaft hat Garantien für einen Kredit in Höhe von EUR 22.916.666,67 (VJ TEUR 75.000) sowie für ein Schuldscheindarlehen in Höhe von EUR 70.000.000 (Vorjahr TEUR 0) der FACC Operations GmbH übernommen.

Verpflichtungen aus der Nutzung von nicht in der Bilanz ausgewiesenen Sachanlagen

Der Gesamtbetrag der finanziellen Verpflichtungen aus der Nutzung von in der Bilanz nicht ausgewiesenen Sachanlagen für die folgenden fünf Jahre beläuft sich auf EUR 179.842,91 (Vorjahr: TEUR 245). Davon entfallen EUR 86.465,78 (Vorjahr: TEUR 94) auf das nächste Jahr.

IV. Erläuterungen zur Gewinn- und Verlustrechnung

Umsatzerlöse

| | 01.03.-31.12.2019 EUR | 2018/19 TEUR |
|--------------------------------|--------------------------|-----------------|
| Erlöse Inland | | |
| Erlöse aus Managementtätigkeit | 8 500 000,00 | 10 533 |
| Mieterlöse | 0,00 | 0 ^{*)} |
| | <u>8 500 000,00</u> | <u>10 533</u> |

^{*)} Kleinbetrag

Der FACC AG obliegt die Holdingfunktion. Als Muttergesellschaft der FACC Operations GmbH übernimmt sie als solche Managementtätigkeiten, Finanzierungsagenden und Financial Services für den Konzern und stellt die dafür anfallenden Kosten der FACC Operations GmbH in Rechnung.

Die **Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeitervorsorgekassen und Pensionen** setzen sich wie folgt zusammen:

| | 01.03.-31.12.2019 EUR | 2018/19 TEUR |
|-----------------------|--------------------------|-----------------|
| Leitende Angestellte | 149.294,53 | 204 |
| Sonstige Arbeitnehmer | 55.036,69 | 82 |
| | <u>204.331,22</u> | <u>286</u> |

Die Aufwendungen für **Altersversorgung** setzen sich wie folgt zusammen:

| | 01.03.-31.12.2019 EUR | 2018/19 TEUR |
|-----------------------|--------------------------|-----------------|
| Leitende Angestellte | 183.414,28 | 219 |
| Sonstige Arbeitnehmer | 28.450,57 | 21 |
| | <u>211.864,85</u> | <u>240</u> |

Die Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeitervorsorgekassen enthalten Abfertigungsaufwendungen in Höhe von EUR 166.887,04 (Vorjahr: TEUR 246) und Beiträge an Mitarbeitervorsorgekassen in Höhe von EUR 37.444,18 (Vorjahr: TEUR 40).

In den Gehältern sind Aufwendungen in Höhe von EUR 9.497,00 (Vorjahr: TEUR 15) aus der Veränderung der Jubiläumsgeldrückstellungen enthalten.

Erfolgswirksame Veränderungen bei den Personalrückstellungen sind in den folgenden Posten ausgewiesen: Jubiläumsgeldrückstellungen und sonstige Personalrückstellungen im Posten Gehälter. Abfertigungsrückstellungen im Posten Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeitervorsorgekassen.

Sonstige betriebliche Aufwendungen

Die ausgewiesenen übrigen sonstigen betrieblichen Aufwendungen enthalten insbesondere Rechts- und Beratungsaufwendungen, Reisekosten sowie Aufwendungen für Werbung und Versicherungen.

Hinsichtlich der Angaben gemäß § 238 (1) Z 18 UGB wird von der Befreiung auf Grund der Veröffentlichung der Aufwendungen im Konzernabschluss Gebrauch gemacht.

Steuern vom Einkommen und vom Ertrag

Die Steuern vom Einkommen und vom Ertrag belasten das Ergebnis vor Steuern mit EUR - 77.067,01 (Vorjahr: TEUR - 62). Die an den Gruppenträger überrechnete Steuer beträgt für das Rumpfgeschäftsjahr 2019 EUR 859.698,03 (Vorjahr: TEUR 611). In den Steuern vom Einkommen sind Aufwände aus der Auflösung der aktiven latenten Steuern in Höhe von EUR - 2.281.075,57 (Vorjahr: TEUR - 1.752) enthalten.

Mit 13./15. Februar 2012 haben die Aerospace Innovation Investment GmbH (nunmehr FACC AG) als Gruppenträgerin und die damalige Aero Vision Holding GmbH sowie die FACC AG (nunmehr FACC Operations GmbH) als Gruppenmitglieder mit erstmaliger Wirksamkeit für das Wirtschaftsjahr 2012 eine Gruppen- und Steuerumlagevereinbarung gemäß den Bestimmungen des § 9 KStG abgeschlossen. Mit 28.2.2017 wurde ein neuer Gruppenvertrag zwischen FACC AG und FACC Operations GmbH abgeschlossen.

Die Steuerumlagevereinbarung besteht grundsätzlich in der Belastungsmethode, wonach für den Gruppenträger vom Gruppenmitglied zugerechnete positive Einkommen eine positive Steuerumlage iHv 25 % zu leisten ist. Das positive Einkommen des Gruppenmitgliedes ist mit evident gehaltenen negativen Einkommen (Verlustvortrag) des Gruppenmitgliedes auszugleichen, wobei ein eingeschränkter Verlustabzug des Gruppenträgers zu berücksichtigen ist. Erzielt das Gruppenmitglied ein negatives Einkommen ist eine negative Steuerumlage iHv 25 % zu leisten insoweit das negative Einkommen in einem zusammengefassten positiven Ergebnis des Gruppenträgers Deckung findet. Eine Vereinbarung über den Schlussausgleich von in der Gruppe noch nicht verrechnete Verlustvorträge des Gruppenmitglieds wurde getroffen.

Die FACC Operations GmbH und die FACC AG begründen seit Juni 2014 eine umsatzsteuerliche Organschaft im Sinne des § 2 Abs. 2 Z 2 UStG, wobei die FACC AG als Organträger die Umsatzsteuervoranmeldungen für die umsatzsteuerliche Organschaft abgibt.

V. Ergänzende Angaben

Ereignisse nach dem Bilanzstichtag

Bis zum Bilanzerstellungszeitpunkt fielen keine wesentlichen berichtspflichtigen Ereignisse an, die einen Einfluss auf die Vermögens-, Ertrags- und Finanzlage haben.

Nicht finanzielle Berichterstattung

Die Gesellschaft nimmt die Befreiungsbestimmung des § 243b (7) UGB betreffend der Pflicht zur Aufstellung der nichtfinanziellen Erklärung bzw. des nichtfinanziellen Berichts in Anspruch. Die Gesellschaft ist in den gesonderten konsolidierten nichtfinanziellen Bericht der FACC AG einbezogen. Dieser ist auf der Website unter www.facc.com abrufbar.

Ergebnisverwendung

Es wird vorgeschlagen, aus dem Bilanzgewinn in Höhe von EUR 24.109.525,39 eine Dividende von EUR 6.868.500,00 auszuschütten und den Restbetrag auf neue Rechnung vorzutragen.

Beziehungen zu nahestehenden Unternehmen und Personen

Sämtliche Geschäfte mit nahestehenden Unternehmen und Personen finden zu fremdüblichen Bedingungen statt.

Mitarbeiter

(im Jahresdurchschnitt)

| | 01.03.-31.12.2019 | 2018/19 |
|-------------|-------------------|-----------|
| Angestellte | 47 | 44 |
| | <u>47</u> | <u>44</u> |

Vorstand

Der Vorstand der Gesellschaft besteht aus:

Herr Robert Machtlinger, Hohenzell
 Herr Andreas Ockel, Bubing
 Herr Yongsheng Wang, Ried im Innkreis
 Herr Aleš Stárek, Salzburg

Die Vorstandsmitglieder vertreten jeweils gemeinsam mit einem weiteren Vorstandsmitglied oder Prokuristen.

Die Bezüge der Mitglieder des Vorstands im Zeitraum 1. März 2019 bis 31. Dezember 2019 stellen sich wie folgt dar:

| | Erfolgsunabhängig 01.03.-31.12.2019 EUR'000 | Erfolgsabhängig* 01.03.-31.12.2019 EUR'000 | Abfertigung** 01.03.-31.12.2019 EUR'000 | Pensionsvorsorge 01.03.-31.12.2019 EUR'000 | Summe 01.03.-31.12.19 EUR'000 |
|--------------------|---|--|---|--|-------------------------------------|
| Robert Machtlinger | 331.903 | 106.949 | 0 | 92.983 | 531.835 |
| Andreas Ockel | 322.457 | 20.371 | 43.452 | 83.340 | 469.621 |
| Aleš Stárek | 259.600 | 71.299 | 49.583 | 0 | 380.482 |
| Yongsheng Wang | 190.454 | 56.021 | 52.134 | 0 | 298.609 |
| | 1.104.414 | 254.641 | 145.169 | 176.323 | 1.680.547 |

*) bezieht sich auf das Geschäftsjahr 2017/18

**) bedingt durch eine Anpassung der Abfertigungsrückstellung

Aufsichtsrat

Der Aufsichtsrat im Rumpfgeschäftsjahr vom 1. März bis 31. Dezember 2019 setzt sich wie folgt zusammen:

GENG Ruguang (Vorsitzender, bis 31. Dezember 2019)
PANG Zhen (Stellvertreter des Vorsitzenden, bis 31. Dezember 2019, Vorsitzender seit 01. Jänner 2020)
LIU Qinghong
DAI Jiajia (seit 26. März 2019)
GUO Jing
SHENG Junqi
GONG Weixi
MAFFEO George
HAN Wenbiao (bis 28. April 2019)
REITER Ulrike (Arbeitnehmervertreterin)
HUBER Barbara (Arbeitnehmervertreterin)
KROHE Peter (Arbeitnehmervertreter)
KLEE Karin (Arbeitnehmervertreterin)

Die im Jahresabschluss des Rumpfgeschäftsjahres 1. März bis 31. Dezember 2019 erfassten Aufwendungen für Aufsichtsratsmitglieder betragen EUR 357.290,60 (Vorjahr: TEUR 525).

Ried im Innkreis, am 6. März 2020



Robert Machtlinger
Vorsitzender des Vorstands



Aleš Stárek
Mitglied des Vorstands



Yongsheng Wang
Mitglied des Vorstands



Andreas Ockel
Mitglied des Vorstands

Anlagen zum Anhang:

Anlage 1 zum Anhang: Anlagenspiegel

Anlagenspiegel zum 31.12.2019

| | Anschaffungs- und Herstellungskosten | | | | kumulierte Abschreibungen | | | | Nettobuchwerte | |
|--|--------------------------------------|------------------|-----------------|-------------------------------|-----------------------------|-----------------|-----------------|-------------------------------|-------------------------------|------------------------------|
| | Stand am 1.3.2019 EUR | Zugänge EUR | Abgänge EUR | Stand am 31.12.2019 EUR | Stand am 1.3.2019 EUR | Zugänge EUR | Abgänge EUR | Stand am 31.12.2019 EUR | Buchwert 31.12.2019 EUR | Buchwert 28.2.2019 EUR |
| I. Immaterielle Vermögensgegenstände: | | | | | | | | | | |
| 1. Geleistete Anzahlungen | 0,00 | 7.243,16 | 0,00 | 7.243,16 | 0,00 | 0,00 | 0,00 | 0,00 | 7.243,16 | 0,00 |
| | 0,00 | 7.243,16 | 0,00 | 7.243,16 | 0,00 | 0,00 | 0,00 | 0,00 | 7.243,16 | 0,00 |
| II. Sachanlagen: | | | | | | | | | | |
| 1. Betriebs- und Geschäftsausstattung davon geringwertige Vermögensgegenstände gemäß § 13 EStG | 0,00 | 1.988,60 | 1.988,60 | 0,00 | 0,00 | 1.988,60 | 1.988,60 | 0,00 | 0,00 | 0,00 |
| | 0,00 | 1.988,60 | 1.988,60 | 0,00 | 0,00 | 1.988,60 | 1.988,60 | 0,00 | 0,00 | 0,00 |
| III. Finanzanlagen: | | | | | | | | | | |
| 1. Anteile an verbundenen Unternehmen | 267.822.715,00 | 0,00 | 0,00 | 267.822.715,00 | 0,00 | 0,00 | 0,00 | 0,00 | 267.822.715,00 | 267.822.715,00 |
| 2. Wertpapiere (Wertrechte) des Anlagevermögens | 1.889.062,84 | 49.211,32 | 0,00 | 1.938.274,16 | 0,00 | 0,00 | 0,00 | 0,00 | 1.938.274,16 | 1.889.062,84 |
| | 269.711.777,84 | 49.211,32 | 0,00 | 269.760.989,16 | 0,00 | 0,00 | 0,00 | 0,00 | 269.760.989,16 | 269.711.777,84 |
| | 269.711.777,84 | 58.443,08 | 1.988,60 | 269.768.232,32 | 0,00 | 1.988,60 | 1.988,60 | 0,00 | 269.768.232,32 | 269.711.777,84 |

Lagebericht der FACC AG für das Geschäftsjahr 2019 (Rumpffge- schäftsjahr)

- Das Wachstum der Weltwirtschaft verlangsamte sich auf 2,9 %, nach 3,6 % im Vorjahr.
- Das Passagieraufkommen im Luftverkehr wächst weiterhin planmäßig.
- Airbus und Boeing lieferten 1.243 Flugzeuge aus, im gleichen Zeitraum wurden 681 Flugzeugneubestellungen fix verbucht.
- Der Auftragsbestand für Flugzeuge mit mehr als 100 Sitzen blieb mit 12.913 Bestellungen auf hohem Niveau.

1. WIRTSCHAFTLICHE RAHMENBEDINGUNGEN

2019 erlebte die Weltwirtschaft eine Abschwächung des Wachstums. Nach den Schätzungen des Internationalen Währungsfonds (IWF) legte die globale Wirtschaftsleistung nur noch um 2,9 % zu – nach einem Anstieg in Höhe von 3,6 % im Jahr 2018. In den Industriestaaten schwächte sich das Wachstum nach einem stärkeren Vorjahr auf 1,7 % (Vorjahr: 2,2 %) leicht ab. In den Schwellen- und Entwicklungsländern blieb die Wirtschaftsdynamik mit einem Plus von 3,7 % (Vorjahr: 4,5 %) weiterhin hoch. Auch die beiden größten Volkswirtschaften der Welt, die USA und China, verzeichneten laut IWF 2019 jeweils eine Steigerung des Wirtschaftswachstums: Die Vereinigten Staaten befinden sich in einem robusten Aufschwung. Die US-Konjunktur führte 2019 zu einem Wachstum von 2,3 % (Vorjahr: 2,9 %).

Die stärksten Impulse für das globale Wachstum gingen von China und Indien aus, deren Wirtschaft unvermindert stark wuchs. Die Konjunkturdaten zeigen ein Plus von 6,1 % respektive 4,8 % (Vorjahr: 6,6 % respektive 6,8 %).

In der Eurozone zeigte sich die Wirtschaft 2019 im Gegensatz dazu geschwächt: Nach Jahren kontinuierlicher Erholung auf schwachem Niveau hat sich das Wachstum in Europa mit einem Plus von 1,2 % nach dem Wachstum von 1,9 % nochmals deutlich verlangsamt.

Trotz der allgemein verbesserten Wirtschaftslage bleiben Risiken wie der zunehmende Protektionismus im Welthandel laut IWF-Prognose weiter bestehen. Offen ist auch die Frage, ob es ein Abkommen über die Fortsetzung des Freihandels zwischen Großbritannien und der EU geben wird. Der Austritt der Briten aus der Europäischen Union betrifft dabei insbesondere das Finanzzentrum London, und die Unsicherheit für die britische und einige Bereiche der europäischen Wirtschaft ist groß. Unverändert hoch werden laut der Prognose außerdem die Risiken gesehen, die von geopolitischen Konflikten ausgehen.

2. BRANCHENWIRTSCHAFTLICHE RAHMENBEDINGUNGEN

Die Fluggesellschaften durchliefen zuletzt eine weiterhin gute Ergebnisentwicklung. Dies ist unter anderem auf die starke Nachfrage, erfolgreiche Effizienzsteigerungen und Konsolidierungen zurückzuführen. Auch der relativ niedrige Ölpreis, ein wichtiger Faktor bei den Betriebskosten der Airlines, wirkte positiv.

Für das globale Passagieraufkommen meldete die International Air Transport Association (IATA) 2019 einen Anstieg um 4,5 %. Die Nachfrage stieg dabei regional unterschiedlich, größte Treiber waren hier die Staaten in Asien: in Indien um 18,6 %, in China um 11,7 % und in Russland um 9,0 %. Steigende Passagierzahlen veranlassten die Airlines dazu, ihre Flotten zu vergrößern. Die IATA errechnete für 2019 einen branchenweiten Gewinn in Höhe von 25,9 Mrd. USD. Damit war 2019 ein erfolgreiches Jahr für die Airlines wobei das Ergebnis unter dem der Vorjahre lag.

Airbus und Boeing lieferten 2019 1.243 Flugzeuge aus. Im gleichen Zeitraum wurden von den Airlines bei Airbus und Boeing 681 Flugzeuge bestellt. Der Auftragsbestand für Flugzeuge mit mehr als 100 Sitzen blieb mit rund 12.913 Flugzeugen nahezu unverändert.

Der Rückgang im Vergleich zum Vorjahr ist vor allem auf das vorübergehende Grounding der Boeing 737 MAX zurückzuführen.

3. ALLGEMEINE ANGABEN

3.1 Angaben gemäß § 243 UGB

Der FACC-Konzern mit Sitz in Ried im Innkreis ist ein österreichischer Konzern, der sich mit der Entwicklung, Produktion und Wartung von Luftfahrtbauteilen befasst.

Seine Produktpalette umfasst Strukturbauteile (Komponenten an Rumpf und Leitwerk, Triebwerksverkleidungsteile und Composite-Teile für Triebwerke, Flügelteile und Flügelspitzen) sowie Systeme für die Innenausstattung von Flugzeugen (gesamte Flugzeugkabiniensysteme für Passagierflugzeuge, Gepäckablagefächer, Innenraumverkleidungen, Serviceeinheiten, Ausstattungen für Business Jets, Kabinen-Retrofitlösungen etc.).

Aufgrund der unterschiedlichen Anwendungen, denen die Produkte dienen, wurden drei operative Segmente gebildet. Das Segment Aerostructures ist für die Entwicklung, die Fertigung, den Vertrieb

und die Reparatur von Strukturbauteilen verantwortlich, das Segment Cabin Interiors für die Entwicklung, die Fertigung, den Vertrieb und die Reparatur von Innenausstattungen und das Segment Engines & Nacelles für die Fertigung, den Vertrieb und die Reparatur von Triebwerksbauteilen. Nach Abschluss der Kundenverträge und der Auftragsabwicklung werden die einzelnen Aufträge in den fünf Werken des Konzerns gefertigt. Neben den drei operativen Segmenten umfasst das Gesamtunternehmen noch die zentralen Dienste Finanzen und Controlling, Personal, Legal, Qualitätssicherung sowie Einkauf und EDV (einschließlich Engineering Services). Die zentralen Dienste unterstützen die operativen Segmente im Rahmen einer Matrixorganisation bei der Erfüllung ihrer Aufgaben.

3.2 Erstanwendung der International Financial Reporting Standards IFRS 16:

Der FACC-Konzern hat mit 1. März 2019 IFRS 16 Leasingverhältnisse übernommen, was zu Änderungen der Bilanzierungs- und Bewertungsmethoden geführt hat. Vorjahreswerte vom 28. Februar

2019 wurden nicht angepasst. Nutzungsrechte wurden in Höhe der erfassten Leasingverbindlichkeiten zum 1. März 2019 erfasst. Der FACC-Konzern hat bei der Übernahme von IFRS 16 die modifizierte retrospektive Methode angewandt.

3.3 Änderung des Geschäftsjahres auf das Kalenderjahr:

Im Rahmen der 5. ordentlichen Hauptversammlung am 9. Juli 2019 wurde unter anderem die Änderung des Geschäftsjahres auf das Kalenderjahr beschlossen. Somit ist das Jahr 2019 ein Rumpfgeschäftsjahr welches am 31. Dezember 2019 (1. März 2019 bis 31. Dezember 2019) endet. Damit wird das Geschäftsjahr des FACC-Konzerns dem Stichtag der Aviation Industry Corporation of China angepasst. Die Zahlen des Rumpfgeschäftsjahres sind nur eingeschränkt mit dem Vorjahr vergleichbar.

4. ENTWICKLUNG DER FACC AG

Der FACC AG obliegt die Holdingfunktion. Als Muttergesellschaft der FACC Operations GmbH übernimmt sie Managementtätigkeiten und Financial Services für den Konzern. Zahlenangaben für den Einzelabschluss der FACC AG erfolgen nach UGB, jene für den FACC AG Konzern nach IFRS.

Die Umsatzerlöse von 8,5 Mio. EUR im Rumpfgeschäftsjahr 2019 (Geschäftsjahr 2018/19: 10,5 Mio. EUR) resultieren aus Verrechnungen aus Managementleistungen gegenüber der FACC Operations GmbH.

Die Zahlen des Rumpfgeschäftsjahres sind nur eingeschränkt mit dem Vorjahr vergleichbar.

Das Ergebnis vor Steuern der FACC AG beläuft sich auf 8,0 Mio. EUR (Geschäftsjahr 2018/19: 6,7 Mio. EUR). Die Veränderung beruht im Wesentlichen auf einem höheren Beteiligungsertrag aus verbundenen Unternehmen in Höhe von 7,0 Mio. EUR. (Geschäftsjahr 2018/19: 5,7 Mio. EUR).

Die FACC AG erzielte im Rumpfgeschäftsjahr 2019 einen Jahresüberschuss von 8,0 Mio. EUR (Geschäftsjahr 2018/19: 6,8 Mio. EUR). Der Jahresüberschuss führte – nach Berücksichtigung der Dividendenausschüttung von 6,9 Mio. EUR – zu einem Anstieg des Eigenkapitals auf 299,2 Mio. EUR gegenüber 298,0 Mio. EUR in der Vorjahresperiode.

Die Eigenkapitalquote der FACC AG zum Bilanzstichtag 31. Dezember 2019 beträgt 89,9 % (Geschäftsjahr 2018/19: 87,7 %)

5. ENTWICKLUNG DES FACC-KONZERNS

| | 2017/18 in Mio. EUR | 2018/19 in Mio. EUR | RGJ 2019 in Mio. EUR |
|----------------------------|------------------------|------------------------|-------------------------|
| Umsatz | 747,6 | 781,6 | 665,0 |
| Einmaleffekte | 5,7 | 0,0 | 0,0 |
| davon Produktumsatz | 691,0 | 700,1 | 592,4 |
| davon Entwicklungsumsatz | 56,6 | 81,5 | 72,6 |
| EBIT (berichtet) | 60,1 | 43,6 | 34,6 |
| Einmaleffekte | 15,2 | -11,4 | 0,0 |
| EBIT (operativ) | 44,9 | 55,0 | 34,6 |
| EBIT-Marge (operativ) | 6,0% | 7,0% | 5,2% |
| Ergebnis nach Steuern | 37,0 | 30,3 | 21,1 |
| Ergebnis je Aktie (in EUR) | 0,81 | 0,66 | 0,46 |

Im Rumpfgeschäftsjahr 2019 erzielte der FACC-Konzern einen Umsatz in Höhe von 665,0 Mio. EUR und verzeichnete damit einen Umsatzrückgang in Höhe von 116,5 Mio. EUR oder 14,9 % gegenüber dem Vorjahr. Die Zahlen des Rumpfgeschäftsjahres sind nur eingeschränkt mit dem Vorjahr vergleichbar.

Die Umsatzerlöse aus Produktlieferungen sanken um 15,4 % auf 592,4 Mio. EUR. Wesentliche Treiber im Bereich der Produktumsätze bildeten im Rumpfgeschäftsjahr 2019 die Programme für die A320-Familie, den A350 XWB, den A330Neo, die Boeing 787 sowie für Bombardier und Embraer Business Jets. Alle weiteren Programme, darunter auch sämtliche Komponenten für die Ausstattungen von Triebwerken der Hersteller Rolls-Royce und Pratt & Whitney, haben sich entsprechend den Planungen des Managements von FACC entwickelt und zum relativen Wachstum des Konzerns beigetragen.

Die stabilen Fertigungsraten bei den wesentlichen Flugzeugprogrammen der Kunden Airbus, Boeing, Bombardier Embraer und COMAC zum einen und der voranschreitende Übergang von Entwicklungsprojekten in die Serienfertigung sorgten für ein weiteres Wachstum im relativen Vergleich.

Die Umsatzerlöse aus der Verrechnung von Entwicklungsleistungen betragen 72,6 Mio. EUR (Vorjahr: 81,5 Mio. EUR).

Die Umsatzkosten sanken im Rumpfgeschäftsjahr 2019 um 102,9 Mio. EUR von 701,2 Mio. EUR auf 598,3 Mio. EUR. Dieser Rückgang ist auf dem verkürzten Rumpfgeschäftsjahr begründet. In Relation zum Umsatz blieb der Wert konstant bei 90 %.

Das berichtete Ergebnis vor Zinsen und Steuern (EBIT) betrug im abgelaufenen Rumpfgeschäftsjahr 34,6 Mio. EUR (Vorjahr: 43,6 Mio. EUR).

5.1 Finanzlage

Zentrales Ziel des Finanzmanagements von FACC ist es, jederzeit die ausreichende Liquidität des Konzerns sicherzustellen, finanzielle Risiken zu vermeiden und die finanzielle Flexibilität zu gewährleisten. Zur Sicherung der Liquidität und zur Verringerung von Risiken nutzt FACC verschiedene interne und externe Finanzierungsquellen mit unterschiedlichen Fristigkeiten. Die längerfristige Liquiditätsprognose erfolgt auf Basis der operativen Planung des Konzerns. Der Mittelzufluss aus der operativen Geschäftstätigkeit der Geschäftssegmente stellt die Hauptliquiditätsquelle des Konzerns dar. Dadurch werden der externe Finanzierungsbedarf und die Zinsaufwendungen reduziert. Zur Sicherung der Liquidität nutzt FACC zudem verschiedene Finanzierungsinstrumente wie Anleihen, Schuldscheindarlehen, Kreditvereinbarungen sowie Leasingmodelle.

Finanzierungsinstrumente

In den Treasury-Grundsätzen von FACC sind die Bankpolitik, die Genehmigung von Bankbeziehungen, Finanzierungsvereinbarungen, das Liquiditäts- und Finanzanlagenmanagement sowie das Management von Währungs- und Zinsrisiken geregelt. Gemäß den Grundsätzen des Konzerns werden die Kreditlinien durch die Treasury-Abteilung konzernweit verwaltet.

Zum Finanzierungspotenzial aus dem genehmigten und bedingten Kapital sowie zu den Finanzierungsquellen wird auf die Erläuterungen im Konzernanhang unter Note 33 verwiesen. Damit hat FACC die wesentlichen Voraussetzungen für eine nachhaltige und stabile Finanzierung geschaffen.

5.1.1. Liquiditätsanalyse

Eine der zentralen Steuerungsgrößen von FACC ist die Kennzahl Free Cashflow. Den Free Cashflow ermittelt FACC aus der Kombination der Cashflows aus betrieblicher Tätigkeit und aus Investitionstätigkeit.

| | 2017/18 in Mio. EUR | 2018/19 in Mio. EUR | RGJ 2019 in Mio. EUR |
|--|------------------------|------------------------|-------------------------|
| Cashflow aus laufender Tätigkeit | 63,1 | 63,3 | 47,7 |
| Cashflow aus Investitionstätigkeit | -35,1 | -35,7 | -17,9 |
| Free Cashflow | 28,0 | 27,6 | 29,8 |
| Cashflow aus Finanzierungstätigkeit | -12,9 | -0,8 | -43,6 |
| Zahlungswirksame Veränderung des Finanzmittelbestands | 15,0 | 26,8 | -13,8 |
| Bewertungseffekte aus Fremdwährungsunterschieden | 0,2 | -0,2 | -0,5 |
| Finanzmittelbestand am Beginn der Periode | 48,3 | 63,5 | 90,1 |
| Finanzmittelbestand am Ende der Periode | 63,5 | 90,1 | 75,8 |

Cashflow aus laufender Geschäftstätigkeit

Der Cashflow aus laufender Geschäftstätigkeit lag im Berichtsjahr 2019 mit 47,7 Mio. EUR um 15,6 Mio. EUR unter dem Vorjahreswert von 63,3 Mio. EUR.

Cashflow aus Investitionstätigkeit

Der Cashflow aus Investitionstätigkeit belief sich im Berichtsjahr 2019 auf –17,9 Mio. EUR gegenüber –35,7 Mio. EUR im Vorjahreszeitraum.

Haupttreiber bei den Projektinvestitionen waren die Entwicklungs- und Werkzeugkosten für diverse Flugzeugtypen wie untere anderem das Projekt Airbus A320 Entrance Area sowie Investitionen in verschiedene Werkzeugduplikationen zur Absicherung zukünftiger Fertigungsraten.

Die Sachanlageinvestitionen stehen im Wesentlichen im Zusammenhang mit dem Ausbau der Produktionskapazitäten am österreichischen Standort Werk 3 in St. Martin.

Während des Berichtsjahres erfolgten insbesondere Neuinvestitionen in Anlagen zur Kapazitätserweiterung sowie Investitionen in zusätzliche Automatisierungsmaßnahmen, in die Optimierung bestehender Produktionsanlagen und in die Infrastruktur. Darüber hinaus wurden laufende Erhaltungsinvestitionen getätigt.

Cashflow aus Finanzierungstätigkeit

Im Berichtsjahr 2019 lag der Cashflow aus Finanzierungstätigkeit bei –43,6 Mio. EUR (Vorjahr: –0,8 Mio. EUR).

5.1.2. Nettofinanzverbindlichkeiten

Die Nettoverschuldung belief sich zum 31. Dezember 2019 auf 213,2 Mio. EUR (Vorjahr: 180,9 Mio. EUR). Der Anstieg ist zum großen Teil auf die Adoption von IFRS 16 zurückzuführen. Die liquiden Mittel des FACC-Konzerns betragen zum Bilanzstichtag 75,8 Mio. EUR (Vorjahr: 90,1 Mio. EUR).

| | 28.02.2018 in Mio. EUR | 28.02.2019 in Mio. EUR | 31.12.2019 in Mio. EUR |
|---------------------------------------|------------------------|------------------------|------------------------|
| Schuldscheindarlehen | 34,0 | 34,0 | 70,0 |
| Anleihen 2013-20 (ISIN AT00000A10J83) | 89,6 | 89,8 | 89,9 |
| Sonstige Finanzverbindlichkeiten | 121,9 | 147,2 | 129,1 |
| Bruttofinanzverbindlichkeiten | 245,5 | 271,0 | 289,0 |
| Abzüglich | | | |
| Liquide Mittel | 63,5 | 90,1 | 75,8 |
| Finanzvermögen | 63,5 | 90,1 | 75,8 |
| Nettofinanzverbindlichkeiten | 182,0 | 180,9 | 213,2 |

Die für die Konzernfinanzierung wesentliche Kennzahl Nettofinanzverbindlichkeiten/EBITDA entwickelte sich wie folgt:

| | 28.02.2018 in Mio. EUR | 28.02.2019 in Mio. EUR | 31.12.2019 in Mio. EUR |
|---|------------------------|------------------------|--------------------------|
| Ergebnis vor Zinsen und Steuern (EBIT) | 60,1 | 43,6 | 34,6 |
| Zuzüglich/abzüglich | | | |
| Abschreibungen und Wertminderungen | 32,9 | 15,8 | 18,8 |
| Amortisierung Vertragserfüllungskosten | | 8,0 | 6,3 |
| Wertminderung Vertragserfüllungskosten | | 7,3 | 0,0 |
| EBITDA | 93 | 74,8 | 59,7 |
| Nettofinanzverbindlichkeiten/EBITDA | 1,96 | 2,42 | 2,97¹⁾ |

5.2 Vermögenslage

Die Bilanzsumme erhöhte sich im Vergleich zum Vorjahr um 13,6 Mio. EUR auf 739,4 Mio. EUR.

| | 28.02.2018 in Mio. EUR | 28.02.2019 in Mio. EUR | 31.12.2019 in Mio. EUR |
|---------------------------|---------------------------|---------------------------|---------------------------|
| Langfristiges Vermögen | 344,7 | 324,9 | 378,4 |
| Kurzfristiges Vermögen | 358,8 | 400,9 | 361,0 |
| Aktiva | 703,5 | 725,8 | 739,4 |
| Eigenkapital | 323,1 | 299,0 | 316,1 |
| Langfristige Schulden | 211,1 | 185,7 | 186,3 |
| Kurzfristige Schulden | 169,4 | 241,1 | 237,0 |
| Schulden | 380,5 | 426,8 | 423,3 |
| Eigenkapital und Schulden | 703,6 | 725,8 | 739,4 |

¹⁾ Der Wert basiert auf einer Hochrechnung auf zwölf Monate.

5.2.1. Aktiva

Das langfristige Vermögen des FACC-Konzerns erhöhte sich gegenüber dem Bilanzstichtag am 31. Dezember 2019 um 53,5 Mio. EUR auf 378,4 Mio. EUR.

Das kurzfristige Vermögen sank im Vergleichszeitraum um 39,8 Mio. EUR. Der Bestand an liquiden Mitteln sank zum Bilanzstichtag am 31. Dezember 2019 um 14,3 Mio. EUR auf 75,8 Mio. EUR.

5.2.2. Eigenkapital

Das Eigenkapital des FACC-Konzerns erreichte per Ende des Berichtsjahres einen Wert von 316,1 Mio. EUR. Dies entspricht einer Eigenkapitalquote am 31. Dezember 2019 von 42,8% (Vorjahr: 41,2%).

5.2.3. Schulden

Innerhalb der langfristigen Schulden sanken die sonstigen Finanzverbindlichkeiten um 34,4 Mio. EUR auf 43,8 Mio. EUR.

Innerhalb der kurzfristigen Schulden erhöhten sich die Verbindlichkeiten aus Lieferungen und Leistungen um 8,6 Mio. EUR auf 83,5 Mio. EUR. Die sonstigen Finanzverbindlichkeiten sanken um 43,0 Mio. EUR auf 26,0 Mio. EUR.

6. ENTWICKLUNG DER SEGMENTE

Die Segmentberichterstattung folgt der internen Steuerung und Berichterstattung des FACC-Konzerns.

Die zentrale Erfolgsgröße, anhand derer die Steuerung der Geschäftssegmente erfolgt und die an die verantwortliche Unternehmensinstanz (Vorstand der FACC AG) berichtet wird, ist das Betriebsergebnis (EBIT). Aufgrund der unterschiedlichen Anwendungen, denen die Produkte dienen, wurden drei operative Segmente gebildet:

- **Aerostructures:** Entwicklung, Fertigung, Vertrieb und Reparatur von Strukturbauteilen
- **Engines & Nacelles:** Entwicklung, Fertigung, Vertrieb und Reparatur von Triebwerksbauteilen
- **Cabin Interiors:** Entwicklung, Fertigung, Vertrieb und Reparatur von Innenausstattungen

Im Rumpfgeschäftsjahr 2019 konnten zur nachhaltigen Umsetzung der Unternehmensstrategie von FACC zahlreiche Neuaufträge unterzeichnet werden. Mit der Umsetzung dieser Projekte wurde im Zuge des Rumpfgeschäftsjahres 2019 begonnen. Umsätze aus diesen Aufträgen werden auch zum weiteren Wachstum der Segmente beitragen.

6.1 Segment Aerostructures

| | 2017/18 in Mio. EUR | 2018/19 in Mio. EUR | RGJ 2019 in Mio. EUR |
|---------------------------------|------------------------|------------------------|-------------------------|
| Umsatzerlöse | 332,8 | 335,7 | 243,5 |
| EBIT (berichtet) | 35,9 | 37,6 | 31,3 |
| EBIT-Marge (berichtet) | 10,8% | 11,2% | 12,8% |
| Einmaleffekte | -1,6 | -8,3 | 0,0 |
| EBIT (vor Einmaleffekten) | 37,5 | 45,9 | 31,3 |
| EBIT-Marge (vor Einmaleffekten) | 11,3% | 13,7% | 12,8% |

Der Umsatz im Segment Aerostructures betrug im Rumpfgeschäftsjahr 2019 243,5 Mio. EUR (Vorjahr: 335,7 Mio. EUR). Die Umsätze aus Produktlieferungen reduzierten sich um 67,0 Mio. EUR oder 24,0% auf 212,4 Mio. EUR. Innerhalb der Division gehören die Airbus-Programme A350 und A320 zu den Wachstumstreibern.

Die Umsätze aus Entwicklungstätigkeiten sanken im Berichtszeitraum um 44,8% von 56,3 Mio. EUR auf 31,1 Mio. EUR.

Im Segment Aerostructures betrug das berichtete Ergebnis vor Zinsen und Steuern (EBIT) im Rumpfgeschäftsjahr 2019 31,3 Mio. EUR (Vorjahr: 45,9 Mio. EUR).

Neuaufträge, die sich im Serienhochlauf befinden konnten die wegfallenden Umsätze aus den Programmen B737NG sowie A380 nicht zur Gänze kompensieren.

6.2 Segment Engines & Nacelles

| | 2017/18 in Mio. EUR | 2018/19 in Mio. EUR | RGJ 2019 in Mio. EUR |
|---------------------------------|------------------------|------------------------|-------------------------|
| Umsatzerlöse | 161,4 | 168,5 | 152,4 |
| EBIT (berichtet) | 15,9 | 9,5 | 6,0 |
| EBIT-Marge (berichtet) | 9,9% | 5,6% | 3,9% |
| Einmaleffekte | 13,1 | -1,2 | 0,0 |
| EBIT (vor Einmaleffekten) | 2,8 | 10,7 | 6,0 |
| EBIT-Marge (vor Einmaleffekten) | 1,7% | 6,4% | 3,9% |

Der Umsatz des Segments Engines & Nacelles erreichte im Rumpfgeschäftsjahr 2019 152,4 Mio. EUR (Vorjahr: 168,5 Mio. EUR). Das entspricht einem Rückgang von 9,6%.

Die Umsätze aus Produktlieferungen sanken um 11,4% von 161,1 Mio. EUR auf 142,7 Mio. EUR. Die Umsätze aus Entwicklungstätigkeiten erhöhten sich um 2,3 Mio. EUR von 7,4 Mio. EUR auf 9,7 Mio. EUR.

Im Segment Engines & Nacelles betrug das berichtete Ergebnis vor Zinsen und Steuern (EBIT) im Rumpfgeschäftsjahr 2019 6,0 Mio. EUR (Vorjahr: 9,5 Mio. EUR).

Der Bereich Engine Composites entwickelte sich weiterhin positiv. Auch hier haben die Projekte A350 Trent XWB sowie Pratt & Whitney PW800 Bypass Ducts maßgeblich zur planmäßigen Geschäftsentwicklung beigetragen.

6.3 Segment Cabin Interiors

| | 2017/18 in Mio. EUR | 2018/19 in Mio. EUR | RGJ 2019 in Mio. EUR |
|---------------------------------|------------------------|------------------------|-------------------------|
| Umsatzerlöse | 253,4 | 277,4 | 269,2 |
| EBIT (berichtet) | 8,3 | -3,5 | -2,6 |
| EBIT-Marge (berichtet) | 3,3% | -1,3% | -1,0% |
| Einmaleffekte | 3,6 | -2,0 | 0,0 |
| EBIT (vor Einmaleffekten) | 4,7 | -1,5 | -2,6 |
| EBIT-Marge (vor Einmaleffekten) | 1,9% | -0,5% | -1,0% |

Der Umsatz im Segment Cabin Interiors belief sich im Rumpfgeschäftsjahr 2019 auf 269,2 Mio. EUR (Vorjahr: 277,4 Mio. EUR). Damit konnte das Segment trotz des verkürzten Geschäftsjahres den Umsatz nahezu konstant halten.

Insgesamt betrug der Produktumsatz im Rumpfgeschäftsjahr 2019 237,3 Mio. EUR (Vorjahr: 259,6 Mio. EUR). Signifikante Umsatzsteigerungen wurden mit den Programmen von COMAC erreicht. Der Umsatz bei diesen Programmen erhöhte sich trotz des verkürzten Geschäftsjahres von EUR 21,3 Mio. EUR auf 24,8 Mio. EUR. Im Bereich der Business Jets konnten deutliche Umsätze mit den Programmen für die Embraer Legacy 450/500 erreicht werden.

Die Umsätze aus Entwicklungstätigkeiten erhöhten sich um 14,1 Mio. EUR von 17,8 Mio. EUR auf 31,9 Mio. EUR.

Das berichtete Ergebnis des Segments Cabin Interiors vor Zinsen und Steuern (EBIT) betrug im Rumpfgeschäftsjahr 2019 -2,6 Mio. EUR (Vorjahr: -3,5 Mio. EUR).

7. RISIKOBERICHT

Der FACC-Konzern ist im Rahmen seiner Geschäftstätigkeit einer Vielzahl von Risiken ausgesetzt, die untrennbar mit dem unternehmerischen Handeln verbunden sind. FACC setzt auf frühzeitige Identifikation und aktive Steuerung von Risiken des Unternehmenssumfelds. Die Umsetzung der Risikostrategie und die Abwicklung von Sicherungsmaßnahmen erfolgen zentral für den gesamten Konzern.

Die unmittelbare Verantwortung für das Risikomanagement liegt bei dem jeweiligen Risk Owner. Der Director Treasury & Risk Management berichtet direkt dem Vorstand, bei dem die Gesamtverantwortung für das Risikomanagement liegt. Im Rahmen des Risikomanagementprozesses werden sowohl die eingetretenen als auch mögliche zukünftige Risiken kontinuierlich durch die operativen Einheiten überwacht, bewertet und zweimal jährlich im Zuge

der Management Reviews an den Vorstand berichtet. Außergewöhnliche Ereignisse werden umgehend dem zuständigen Risk Owner bzw. dem Director Treasury & Risk Management mitgeteilt. Dieser entscheidet, ob eine sofortige Meldung an den Vorstand erforderlich ist. Der Vorstand wiederum informiert den Aufsichtsrat in dessen Sitzungen.

Dadurch ist sichergestellt, dass wesentliche Risiken frühzeitig erkannt und Maßnahmen zur Gegensteuerung bzw. Eingrenzung der Risiken getroffen werden können. Nach Einschätzung des Vorstands sind die heute erkennbaren möglichen Risiken überschaubar und beherrschbar und stellen damit keine existenzielle Gefahr für das Unternehmen dar.

Folgende wesentliche Risikofelder können identifiziert werden:

7.1 Managementrisiken

Ausgehend von Marktbeobachtungen und -analysen wird ein Businessplan mit einer Planungsperiode von fünf Jahren erstellt. Dieser definiert die grundsätzliche Strategie des Unternehmens und wird vom Aufsichtsrat geprüft. Aus diesem jährlich aktualisierten Plan leiten sich die konkreten Ziele für das jeweilige Geschäftsjahr ab.

Kurzfristige Veränderungen des Marktes stellen hier das größte Risiko dar, ebenso ist der Erfolg in der Umsetzung durch äußere Faktoren, die oftmals kaum beeinflusst werden können, immer wieder gefährdet.

Das Management von FACC ist dafür verantwortlich, die konsequente Umsetzung zu verfolgen bzw. auf kurzfristige Veränderungen rasch und im Sinne der festgelegten Strategie zu reagieren. Dabei ist sicherzustellen, dass die strategische Ausrichtung ebenso weiter beachtet wird wie die geplanten Umsatz- und Ergebnisse.

7.2 Absatzrisiken

Der FACC-Konzern ist in einem sehr wettbewerbsintensiven Geschäftsfeld tätig und sieht sich einer eingeschränkten Kundenzahl (Flugzeughersteller) gegenüber. Die Geschäftstätigkeit von FACC ist konjunkturabhängig und sensibel gegenüber der Ertragsituation kommerzieller Fluggesellschaften bzw. deren Bestellungen von Flugzeugen bei den Herstellern. Die Geschäftslage kommerzieller Fluggesellschaften wird wiederum von der weltwirtschaftlichen Lage und geopolitischen Rahmenbedingungen beeinflusst.

Das branchenspezifische Risiko des Konzerns liegt in der Änderung von Flugzeugauslieferplänen der Hersteller gegenüber den Endabnehmern. Das Risiko aus der Änderung von zukünftigen Flugzeugauslieferungen hat Einfluss auf die zukünftigen Umsätze des Konzerns, da sich die Zuliefermengen der vom Konzern hergestellten Bauteile entsprechend ändern. Das Risiko kann in Form einer Reduktion von Flugzeugauslieferungen eintreten, aber auch in deren zeitlicher Verschiebung in die Zukunft. Dies hat unter anderem zur Folge, dass Entwicklungskosten nicht im kalkulierten Zeitraum verdient werden können.

Diesem Risiko begegnet FACC mit einer Diversifikation innerhalb der Branche – einerseits, indem der Konzern mit den beiden marktbeherrschenden Anbietern von Verkehrsflugzeugen Lieferverträge

unterhält, und andererseits, indem er neben den Großraum-Passagierflugzeugen auch in der Sparte Business Jets Lieferverträge eingeht. Zusätzlich ist FACC geografisch diversifiziert, da sie Lieferverträge mit dem amerikanischen und europäischen Markt sowie mit dem asiatischen Raum hält. Außerdem tritt FACC als Entwicklungspartner im Bereich der Verbesserung an bestehenden Flugzeugtypen auf, was die Basis für Lieferverträge für die Umrüstung von bestehenden Flugzeugtypen ist.

7.3 Einkaufs und Lieferantenrisiko

Der Bereich Einkauf von FACC führt regelmäßig Risk Assessments der Zulieferer durch, um Gefährdungspotenzial und Risiken frühzeitig zu erkennen und damit die Prioritäten für die Planung und Durchführung von Audits festlegen zu können bzw. um den Entscheidungsprozess bei der Vergabe von neuen Aufträgen zu unterstützen. Bei der Auswahl neuer Lieferanten wird die Abteilung Procurement Quality Assurance (PQA) eingebunden. Sie stellt sicher, dass die erforderlichen Qualifikationen und Zulassungen vorhanden sind und keine erkennbaren Risiken bestehen. Zu Beginn neuer Projekte wird durch eine verpflichtende Erstmusterprüfung bei den Lieferanten das Produktrisiko reduziert. Die kontinuierliche qualitätsgerechte und termingetreue Belieferung mit Materialien sowie Halb- und Fertigerzeugnissen wird regelmäßig über SAP bewertet. Diese Bewertung ist ebenfalls Bestandteil des Risk Assessments. Abweichungen – sowohl der Bauteilqualität als auch der Lieferperformance – werden systematisch erfasst, analysiert, bewertet und mit definierten Zielen verglichen. Auffälligkeiten werden im Zuge der Management Reviews an den Vorstand berichtet.

7.4 Betriebsunterbrechungsrisiko

Die Fertigungsstätten und -anlagen des Unternehmens werden kontinuierlich instandgehalten und gewartet, sodass das Risiko von Betriebsstörungen oder längeren Produktionsausfällen gering bleibt. Das Betriebsunterbrechungsrisiko ist außerdem durch eine Betriebsunterbrechungsversicherung mit einer Haftungszeit von 24 Monaten versichert.

7.5 Projektmanagement

Das Projektmanagement von FACC ist dafür verantwortlich, die vom Management festgelegten Ziele in Form von Projekten umzusetzen. Projekte werden dabei darin unterschieden, ob FACC Entwicklungsverantwortung trägt oder nicht. Jeder Vertrag wird auf seine Umsetzbarkeit geprüft, die mit dem Projekt verbundenen Risiken werden identifiziert, beurteilt und während der Abarbeitung genauestens beobachtet und analysiert, um – falls erforderlich – notwendige Maßnahmen einleiten und umsetzen zu können. Die bedeutsamsten Risiken bilden dabei die Verfügbarkeit von Ressourcen aller Art (Personal, Equipment, Materialien etc.) sowie äußere Faktoren, die entweder über die Schnittstellen im Unternehmen oder von außen an das Projektteam herangetragen werden können.

7.6 Produkthaftungs- und Qualitätsrisiko

Die vom Unternehmen konstruierten und hergestellten Produkte sind für den Einbau in Luftfahrzeuge oder in Triebwerke bestimmt. Fehler oder Funktionsmängel der hergestellten Produkte können mittelbar oder unmittelbar Eigentum, Gesundheit oder Leben Dritter beeinträchtigen. Die dauerhafte Sicherheit hat damit höchste Priorität. FACC ist nicht in der Lage, ihre Haftung gegenüber Kunden, Konsumenten oder Dritten in Absatzverträgen zu reduzieren

oder auszuschließen. Jedes Produkt, das im Unternehmen entwickelt und/oder hergestellt wird und das Unternehmen verlassen soll, durchläuft daher qualifizierte Kontrollen hinsichtlich seiner Funktion und Qualität.

Bei Projekten, in denen FACC Entwicklungsverantwortung trägt, besteht aufgrund der Möglichkeit von Konstruktionsfehlern ein höheres Risiko, das jedoch durch systematisches Handeln minimiert wird. Regelmäßige Kontrollschritte in allen Stadien der Entwicklung reduzieren hier Risiken frühzeitig. FACC betreibt zudem ein Archivierungssystem für vertraglich festgelegte und auch individuell darüber hinaus gehende Qualitätsaufzeichnungen (Quality Records). Damit wird nachgewiesen, dass Leistungen und Produkte entsprechend den definierten und vom Kunden bzw. von der/den Luftfahrtbehörde/n freigegebenen Vorgaben ausgeführt wurden.

Obwohl das Produkthaftungsrisiko angemessen versichert ist, kann es im Fall von Qualitätsproblemen zu negativen Auswirkungen auf die Vermögens-, Finanz- und Ertragslage des Unternehmens kommen.

7.7 Finanzielle Risiken

Aus dem operativen Geschäft ergeben sich für FACC neben dem Finanzierungsrisiko auch Zins- und Währungsrisiken. Das übergreifende Risikomanagement des Konzerns ist auf die Unvorhersehbarkeit der Entwicklungen in den Finanzmärkten fokussiert und zielt darauf ab, die potenziell negativen Auswirkungen auf die Finanzlage des Konzerns zu minimieren. Der Konzern nutzt derivative Finanzinstrumente, um sich gegen bestimmte Risiken abzusichern. FACC verwendet derivative Finanzinstrumente ausschließlich zur Absicherung von Grundgeschäften, Spekulationsgeschäfte sind strikt untersagt. Die Abteilung Treasury & Risk Management des Konzerns identifiziert, bewertet und sichert finanzielle Risiken in enger Zusammenarbeit mit den operativen Einheiten des Konzerns.

7.7.1. Währungsrisiko

Während fast alle Verkäufe des FACC-Konzerns in USD abgewickelt werden, fällt ein wesentlicher Teil der Kosten in anderen Währungen als USD, insbesondere in EUR, an. FACC setzt zur Absicherung gegen nachteilige Veränderungen im EUR-USD-Wechselkurs derivative Finanzinstrumente (Devisentermingeschäfte) ein, aus denen auch Verluste erwachsen können.

Die Sicherungsstrategien der Abteilung Treasury & Risk Management des Konzerns sind darauf ausgerichtet, den Einfluss von Wechselkurschwankungen zu steuern und zu minimieren. Der Vorstand genehmigt die Strategien und berichtet regelmäßig dem Aufsichtsrat darüber.

Das Risikomanagement der Abteilung Treasury & Risk Management des Konzerns verfolgt das Ziel, erwartete Netto-Cashflows in USD (aus Umsatzerlösen abzüglich Einkäufen von Rohmaterialien) für die jeweils nächsten zwölf Monate (auf rollierender Monatsbasis) im Durchschnitt mit 80 % zu besichern (Hedge Ratio). Bei attraktiven Marktniveaus können die Sicherungszeiträume auf bis zu 36 Monate ausgedehnt werden. Für die Währungsrisiken von Finanzinstrumenten wurden Sensitivitätsanalysen, die die Auswirkungen von hypothetischen Änderungen der Wechselkurse auf die Konzern-Gewinn- und Verlustrechnung sowie das Eigenkapital zeigen, durchgeführt. Währungsrisiken resultieren gemäß IFRS 7 aus

Finanzinstrumenten, die monetärer Art und nicht in der funktionalen Währung des berichtenden Unternehmens denominiert sind. Folglich dienen Forderungen, Verbindlichkeiten, Zahlungsmittel sowie Fremdwährungsderivate als Basis für die Berechnung der Sensitivität der Konzern-Gewinn- und Verlustrechnung. Die Sensitivität des Eigenkapitals bildet zusätzlich Bewertungseffekte der im sonstigen Ergebnis erfassten Cashflow Hedges für Fremdwährungsrisiken ab. Translationsdifferenzen aus der Umrechnung von Abschlüssen, die in einer anderen Währung als der Konzernwährung erstellt wurden, wurden in der Berechnung nicht berücksichtigt.

7.7.2. Zinsrisiko

Das Zinsrisiko ergibt sich aus der durchschnittlichen Laufzeit der Finanzierungen sowie der Art der Verzinsung. Das Risiko liegt dabei bei fixer Verzinsung in sinkenden Zinssätzen und bei variabler Verzinsung in steigenden Zinssätzen.

Eine Erhöhung des Zinsniveaus um 50 Basispunkte hätte eine Verringerung des Ergebnisses nach Steuern sowie des Eigenkapitals von 615 TEUR (Vorjahr: 568 TEUR) zur Folge. Eine Senkung des Zinsniveaus um 50 Basispunkte hätte eine Erhöhung des Ergebnisses nach Steuern sowie des Eigenkapitals von 587 TEUR (Vorjahr: 568 TEUR) ergeben. Die Berechnung erfolgte auf Basis der variablen verzinslichen Vermögenswerte und Verbindlichkeiten.

7.8 Risiken in Bezug auf administrative und produktionstechnische Systeme

FACC ist im Rahmen seiner Geschäftsprozesse auch IT- und Systemrisiken ausgesetzt, die im äußersten Fall auch zur Beeinträchtigung von administrativen und produktionstechnischen Anlagen führen können. Risikofaktoren, die unter diesem Bereich verstanden werden, sind zum Beispiel klassische Computerkriminalitätsrisiken (Cyber-Crime-Attacks wie Hacking, Phishing, Ransomware, etc.) aber auch klassische Betrugsszenarien (Social Engineering) sowie das Risiko von unberechtigtem physischem Eindringen von Personen in sensible Produktions- oder Unternehmensbereiche. FACC hat für IT-behaftete Bereiche entsprechende systemische Sicherheitsvorkehrungen getroffen. Im Rahmen der Betrugsprävention setzt FACC auf laufende Schulungen ihrer Mitarbeiter in sensiblen Bereichen sowie Informationskampagnen im Unternehmen. Die physische Werkssicherheit wird unter anderem durch Zutrittskontrollen sichergestellt.

8. FORSCHUNG, ENTWICKLUNG UND INNOVATION

FACC investiert laufend in Forschung und Entwicklung, um die Geschäftsbeziehungen zu ihren Kunden zu stärken und neue Geschäftsfelder zu erschließen. Der Fokus liegt dabei auf proprietärer Eigenentwicklung, um das generierte Wissen für alle derzeitigen und zukünftigen Kunden des Unternehmens einsetzen zu können. Des Weiteren werden strategische Kooperationen mit Kunden und Forschungseinrichtungen zur Optimierung von Produkten eingegangen.

Im Geschäftsjahr 2019 wendete FACC 59,5 Mio. EUR bzw. 9,0 % ihres Umsatzes für unternehmens- und kundenbezogene Forschungs- und Entwicklungsleistungen auf.

Aus Sicht des Unternehmens bilden aktive Forschung und Innovation eine Grundvoraussetzung, um die führende Position von FACC als Technologiepartner und Systemlieferant ihrer Kunden beizubehalten. Da FACC oft mit geschützten Kundenpatenten und -prozessen arbeitet, helfen Eigenentwicklungen, bestehende Aufträge zu sichern und neue Geschäftsfelder zu erschließen. In einem starken Netzwerk aus Kunden, Zulieferern und wissenschaftlichen Partnern entwickelt FACC neue Technologien für die Anwendung in zukünftigen Luftfahrtentwicklungsprogrammen.

FACC arbeitet laufend an neuen Produktlösungen und Fertigungstechnologien. Aktuell legt das Unternehmen seine Forschungsschwerpunkte auf fünf wesentliche Projekte:

- Gewichtsreduktion
- Robuste Fertigungsprozesse
- Nachhaltige Materialien
- Erhöhung der Ratenfähigkeit
- Digitalisierung und künstliche Intelligenz

Thermoplastische Pressenbauteile

Im Bereich der thermoplastischen Faserverbundwerkstoffe zeigte sich im vergangenen Wirtschaftsjahr ein deutlicher Zuwachs an Interessens seitens der Luftfahrtindustrie. Vor allem Hochleistungskunststoffe wie LM-PAEK (Low Melting Polyaryletherketon) und PEEK (Polyetheretherketon) gewinnen für strukturelle Anwendungen immer mehr an Bedeutung. Die Verarbeitung in Kombination mit einem hochratenfähigen, automatisierten und robusten Pressenprozess erlaubt es, Faserverbundbauteile schnell, kosteneffizient und in hoher Qualität zu fertigen. Ein signifikanter Vorteil von thermoplastischen Kunststoffen ist die Fähigkeit zum Upcycling. Abfälle (Fräsabfälle, Verschnitt etc.) können zerkleinert und in einem weiteren Pressenschritt erneut zu Bauteilen verarbeitet werden. Dieser Kreislauf erlaubt es FACC, in Zukunft die Abfallmenge weiter zu reduzieren und einen Beitrag zum nachhaltigen Produzieren von Faserverbundkomponenten zu leisten. Gemeinsam mit Airbus entwickelt FACC im Zuge des Projekts Wing of Tomorrow thermoplastische Faserverbundstrukturen, um auch in Zukunft neue Fertigungstechnologien in Serie anbieten zu können.

Induktives Schweißen

Das Fügen einzelner Komponenten in der Luftfahrtindustrie geschieht zumeist mechanisch mittels Schrauben und Nieten. Diese zuverlässige Art der Verbindungstechnik erzeugt jedoch einen erheblichen Aufwand in der Bauteilassembly. Außerdem führt die hohe Anzahl an Verbindungselementen zu einem erhöhten Bauteilgewicht. Thermoplastische Kunststoffe besitzen die vorteilhafte Eigenschaft, dass diese mehrmals aufgeschmolzen und abgekühlt werden können. Diese Möglichkeit erlaubt ein Verschweißen zweier Bauteile mittels Induktionsschweißverfahren. Bei diesem Verfahren induziert eine Induktionsspule Wirbelströme, die durch Verluste in den Kohlenstofffasern zu einer Erwärmung der Gewebelagen im Laminat führen. Unter Druck werden die Fügepartner miteinander verbunden. Durch die Anwendung des induktiven Schweißverfahrens können Verbindungselemente signifikant reduziert werden, wodurch das Bauteilgewicht weiter reduziert

wird. Ein weiterer Vorteil ergibt sich durch die hohe Automatisierbarkeit dieses Prozesses. Dadurch wird eine robuste Bauteilherstellung ermöglicht.

Integrale Hohlstrukturen und Harzinjektionsverfahren

Integrale Faserverbundstrukturen gewinnen immer weiter an Bedeutung, da sie eine Reduktion der Anbindungselemente und Beschläge ermöglichen und damit viel Gewichteinsparungspotenzial. Außerdem können sie dazu beitragen, die Zulieferkette zu verschlanken. Aus diesem Grund verstärkt FACC die Forschungs- und Entwicklungstätigkeiten auch in diesem Technologiefeld. Vor allem die Fertigung von integralen Hohlstrukturen ermöglicht die Fertigung etwa von Klappen, Quer-, Höhen- und Seitenrudern in einem Aushärtezyklus. Dabei kommen Harzinjektionsverfahren wie Resin-Transfer-Molding (RTM) und dem von FACC patentierten Vakuuminfusionsverfahren MARI zum Einsatz. In Kombination mit schnellaushärtenden Matrixsystemen erlauben beide Fertigungsverfahren eine signifikante Reduktion der Zykluszeit bei gleichzeitiger Erhöhung des Automatisierungsgrades in der Produktion. Aufgrund der Reduktion von Verbindungselementen kann des Weiteren die Assemblierungszeit in der Produktion verkürzt werden. Auch im Themenschwerpunkt der integralen Hohlstrukturen arbeitet FACC eng mit Airbus zusammen, um in weiterer Folge den erarbeiteten Technologievorsprung in die Serienentwicklung überführen zu können.

Digitalisierung und Technologiemanagement

Digitalisierung und Technologiemanagement nimmt einen immer größeren und wichtigeren Stellenwert ein, um zukünftige Entwicklungsprojekte schnell, kostengünstig und mit hohem Qualitätsstandard umsetzen zu können. Dabei spielt die Digitalisierung der kompletten Wertschöpfungskette eine entscheidende Rolle. Das Ziel ist eine durchgängige Prozesskette – von der Ideenfindung über die Produktentwicklung bis hin zu Fertigung, Qualitätskontrolle und Auslieferung von Faserverbundkomponenten. Technologiemanagement zielt darauf ab, vorhandenes Wissen stärker zu nutzen und für alle Unternehmensbereiche zugänglich zu machen. Auf diese Weise sollen Ressourcen im Unternehmen effizienter eingesetzt werden können.

Patente und Preise

Um ihre Technologieführerschaft im Composite-Bereich weiter auszubauen, strebt FACC weitgehende Unabhängigkeit in ihrem Prozessportfolio an. Darüber hinaus wird das Bauteilportfolio des Unternehmens sukzessive erweitert, um neue Absatzmöglichkeiten zu erschließen. Die Anstrengungen von FACC im Bereich Forschung und Entwicklung wurde 2019 mit dem Airbus Innovation Award ausgezeichnet. Beide Wachstumsfelder werden flankiert von einer erweiterten Patentstrategie, die auf den größtmöglichen Schutz des intellektuellen Eigentums des Unternehmens abzielt.

9. MITARBEITER

Zum Stichtag am 31. Dezember 2019 betrug der Mitarbeiterstand des FACC-Konzerns 3.371 Vollzeitäquivalente (FTE; Vorjahr: 3.465 FTE).

In Österreich waren zum 31. Dezember 2019 3.125 FTE beschäftigt. Dies entspricht rund 93 % der gesamten Belegschaft des Konzerns.

| | Arbeiter | Angestellte | Gesamt |
|-----------------------|----------|-------------|--------|
| Central Services | 139 | 485 | 624 |
| Aerostructures | 705 | 218 | 923 |
| Engines & Nacelles | 418 | 124 | 542 |
| Cabin Interiors | 765 | 171 | 936 |
| Tochtergesellschaften | 61 | 238 | 299 |
| FACC AG | - | 47 | 47 |
| Summe | 2088 | 1283 | 3371 |

Die Internationalität von FACC spiegelt sich auch in ihrer Mitarbeiterstruktur wider. An den österreichischen Standorten sind Mitarbeiter aus 47 Nationen aller Kontinente beschäftigt. 55 % der Belegschaft haben die österreichische Staatsbürgerschaft, 20 % kommen aus Deutschland. Der Frauenanteil an der Gesamtbelegschaft befindet sich mit annähernd 30 % für ein Technologieunternehmen weiterhin auf hohem Niveau. Besonders erfreulich ist der Frauenanteil von nahezu 50 % in der Lehrlingsausbildung von FACC.

Motivation und Gesundheit: FACC als Vorreiter bei Mitarbeiterzufriedenheit

Dass FACC an der Motivation, Zufriedenheit und Gesundheit ihrer Mitarbeiter gelegen ist, zeigt sich in einer Fülle von Maßnahmen und Initiativen. So bietet FACC ihren Mitarbeitern sowohl unterjährig als auch während der Sommerferien gestützte Kinderbetreuungsplätze an. Das Angebot wird von den Mitarbeitern stark genutzt, die Kindertagesstätte in St. Martin ist voll ausgebucht. Die Ausgabe von isotonischen Getränken in der Produktion während der Sommermonate, Nichtraucherseminare sowie Impf- und Blutspendeaktionen sind weitere Beiträge, die FACC zur Gesundheit ihrer Mitarbeiter leistet. Diese und zahlreiche andere Maßnahmen laufen unter dem Titel „G'sund & zufrieden“, ein Projekt, für das FACC erstmals 2017 von der Oberösterreichischen Gebietskrankenkasse das Gütesiegel Betriebliche Gesundheitsförderung (BGF) verliehen wurde. Die Rezertifizierung für 2020 bis 2022 wurde 2019 erfolgreich abgeschlossen. Das BGF-Gütesiegel gilt in Österreich als sichtbares Zeichen und als anerkannter Standard qualitätsvoller betrieblicher Gesundheitsförderung. Unabhängige Experten prüfen dafür in einem objektiven und transparenten Verfahren, ob die hoch angesetzten Qualitätskriterien des Europäischen Netzwerks für BGF erfüllt werden.

FACC Academy

Konstante Investitionen in die Ausbildung der gesamten Belegschaft sind ein wesentlicher Faktor für den Unternehmenserfolg von FACC. Nach dem Motto „Lebenslanges Lernen“ bietet sie ihren Mitarbeitern zu diesem Zweck umfassende berufsbegleitende Aus- und Weiterbildungsmöglichkeiten. Drehscheibe dafür ist die FACC Academy, die allein im Geschäftsjahr 2019 343 interne Trainings organisierte, bei denen es insgesamt 4.239 Teilnahmen gab. Darüber hinaus fanden 100 externe Trainings statt, in denen 542 Mitarbeiter geschult wurden.

Um mit den zeitlichen Ressourcen ihrer Mitarbeiter verantwortungsvoll umzugehen, bietet FACC ausgewählte Schulungen bereits via E-Learning an. E-Learning-Inhalte werden mittlerweile auch durch interne Entwickler erstellt und das Spektrum damit gezielt auf die Belegschaft und das Unternehmen zugeschnitten. Neben E-Learning in den Bereichen „SAP Basic“, „SAP Advanced“ und „System Management“ stehen auch webbasierte Trainings unter anderem zu den Themen „Export Control Advanced“ oder „Foreign Object Damage“ (FOD; Schaden der durch Fremdkörper und Substanzen am Flugzeug oder am Bauteil entstehen kann) zur Verfügung. Die Lerneinheiten können direkt am Arbeitsplatz über das SAP-System von FACC absolviert werden.

Damit sichergestellt ist, dass die Mitarbeiter sämtliche Anforderungen für ihren Job erfüllen, wurde darüber hinaus die Trainingsmatrix sowohl für die österreichischen als auch internationalen Standorte von FACC komplett überarbeitet. Der so genannte „LSO Lerner“ in SAP bietet jeder Führungskraft und jedem Mitarbeiter zu jedem Zeitpunkt einen Überblick, welche Qualifikationen für die Ausübung der jeweiligen Tätigkeit bereits vorliegen oder noch erworben werden müssen. Interne Trainings können direkt gebucht oder zusätzlicher Schulungsbedarf jederzeit bei der FACC Academy angemeldet werden. Die laufende Erweiterung des Trainingsangebots umfasst unter anderem neue, gezielte Ausbildungen für Vorarbeiter, Führungskräfte oder im Projekt Management.

Global Family

Als internationales Unternehmen mit Mitarbeitern aus 47 Ländern legt FACC besonderen Wert auf Interkulturalität. Um die gute Zusammenarbeit ihrer Mitarbeiter zu gewährleisten, absolviert ein großer Teil von ihnen Sprachtrainings sowie Trainings rund um das Thema Interkulturalität.

Neben der Vielzahl an Sozialleistungen boten firmenweite Veranstaltungen wie die Jubiläumsfeier, ein Mitarbeiterfest oder die traditionelle Weihnachtsfeier Anlässe zum Feiern der gemeinsam erreichten Erfolge. Unternehmensweite Formate wie der vierteljährliche „Flight Club“ bieten die Möglichkeit zu Networking sowie dazu, gemeinsam mit anerkannten Experten über die Arbeitswelten und andere Herausforderungen der Zukunft zu diskutieren. Zahlreiche Kooperationen mit Behörden, Stiftungen, Schulen, forschungsnahen Institutionen oder die Präsenz auf Jobmessen stellen sicher, dass FACC auch morgen die richtigen Mitarbeiter und das richtige Know-how mit an Bord hat.

Interne Nachwuchsvorsorge

Hohen Stellenwert genießt bei FACC auch die Lehrlingsausbildung. So waren mit Ende Geschäftsjahr 2019 in Summe 40 Lehrlinge in sechs verschiedenen Berufsbildern bei FACC in Ausbildung. Als sichtbares Zeichen für die Qualität seiner Lehrlingsausbildung hat das Unternehmen vom Bundesministerium für Wissenschaft, Forschung und Wirtschaft das Gütesiegel „Staatlich ausgezeichneter Ausbildungsbetrieb“ erhalten.

Jungen engagierten Aspiranten bietet FACC hoch spezialisierte Ausbildungen in Konstruktion, Metall- und Zerspanungstechnik, Kunststofftechnik, Prozesstechnik, IT-Systemtechnik und IT-Applikationsentwicklung. Schon während ihrer Ausbildungszeit stehen den Lehrlingen im Unternehmen die neuesten Technologien und Anlagen zur Verfügung. Damit erhalten sie bei FACC die Möglichkeit, sich mit Innovationsgeist und Engagement zu Experten der

Zukunft zu entwickeln. Von all dem konnten sich im Geschäftsjahr 2019 sowohl aktive als auch zukünftige Lehrlinge und deren Familien im Rahmen des Lehrlingstags der Initiative zukunft.lehre.österreich. in Mattighofen oder der Langen Nacht der Lehre selbst und direkt überzeugen – Probesitzen im neuen Lufttaxi EHang 216 inklusive.

FACC Stipendium

Im Geschäftsjahr 2019 wurde erstmalig das FACC-Stipendium mit einem Gesamtwert von rund 100.000 EUR im Studienfach „Leichtbau- und Composite-Werkstoffe“ vergeben. Vier Kandidaten werden während ihrer Studienzzeit monatlich mit finanziellen Zuwendungen unterstützt. Darüber hinaus übernimmt FACC die Studiengebühren, bietet Praktika in den eigenen Werken und Betreuung durch kompetente Mitarbeiter von FACC sowie die Teilnahme an Trainings und zahlreiche weitere Benefits an.

10. NACHHALTIGKEITSMANAGEMENT

Das Nachhaltigkeitsmanagement des FACC-Konzerns ist fest in seiner Unternehmensstrategie verankert und berichtet direkt an den Vorstand. Ziel des Nachhaltigkeitsmanagements ist es, in allen Geschäftsprozessen die Auswirkungen auf Umwelt und Gesellschaft zu berücksichtigen und die ökonomischen mit den ökologisch-sozialen Vorstellungen des Unternehmens in Einklang zu bringen. Dabei arbeiten Nachhaltigkeitsmanagement und operative Einheiten eng zusammen.

Der erste Nachhaltigkeitsbericht des FACC-Konzerns über das Geschäftsjahr 2017 wurde im Mai 2018 präsentiert und kann über die Konzernwebsite abgerufen werden.

Der Nachhaltigkeitsbericht des FACC-Konzerns wird nach den GRI-Standards (Global Reporting Initiative Standards) und nach den Anforderungen des österreichischen NaDiVeG (Nachhaltigkeits- und Diversitätsverbesserungsgesetz) erstellt und erscheint gemäß § 267a UGB als gesonderter nichtfinanzieller Bericht.

11. BERICHT ÜBER DIE ZWEIGNIEDERLASSUNGEN

Die FACC AG betreibt keine Zweigniederlassungen.

12. ANGABEN GEMÄSS § 243A UGB

12.1 Berichterstattung über wesentliche Merkmale des internen Kontroll- und Risikomanagementsystems im Hinblick auf den Rechnungslegungsprozess

Gemäß § 243a Abs. 2 UGB ist FACC verpflichtet, die wesentlichen Merkmale des internen Kontroll- und Risikomanagementsystems im Hinblick auf den Rechnungslegungsprozess zu beschreiben. Der Vorstand der FACC AG hat gemäß § 82 AktG dafür zu sorgen, dass

ein Rechnungswesen und ein internes Kontrollsystem geführt werden, die den Anforderungen des Unternehmens entsprechen. Somit liegt es in der Verantwortung des Vorstands, ein angemessenes internes Kontroll- und Risikomanagementsystem im Hinblick auf den Rechnungslegungsprozess einzurichten.

Die wesentlichen Merkmale des Risikomanagements und des internen Kontrollsystems sind im Risikomanagementhandbuch sowie im Finanzhandbuch von FACC festgehalten. Dabei wurden unter anderem wesentliche Finanz- und Controlling-Prozesse sowie deren entsprechende Risiken beschrieben und identifiziert.

Das rechnungslegungsbezogene interne Kontrollsystem ist so konzipiert, dass eine zeitnahe, einheitliche und korrekte Erfassung aller Geschäftsprozesse und Transaktionen gewährleistet ist und somit jederzeit fundierte Aussagen über die aktuelle Geschäftslage des Unternehmens getroffen werden können.

Zu den Maßnahmen und Regeln zählen unter anderem Funktionstrennung, Vier-Augen-Prinzip, Unterschriftenordnung, ausschließlich kollektive und auf wenige Personen eingeschränkte Zeichnungsermächtigungen für Zahlungen sowie systemunterstützte Prüfungen durch die verwendete EDV-Software SAP.

Bei FACC wird diese Software seit mehr als zehn Jahren in fast allen Unternehmensbereichen eingesetzt. Die Ordnungsmäßigkeiten der SAP-Systeme wurden in allen betroffenen Geschäftsprozessen umgesetzt.

Im Rahmen des monatlichen Reportings an den Vorstand und die zweite Berichtsebene werden insbesondere Soll-Ist-Vergleiche berichtet. Der Aufsichtsrat der FACC AG wird in seinen vierteljährlich stattfindenden Sitzungen über die aktuelle Geschäftsentwicklung und die Prognose für den weiteren Geschäftsverlauf des Konzerns unterrichtet. In den Sitzungen des Prüfungsausschusses des Aufsichtsrats wurden unter anderem auch Themen wie das interne Kontrollsystem und das Risikomanagement sowie Maßnahmen zur Minderung der internen Kontrollrisiken behandelt.

Im Rahmen des Budgetierungsprozesses werden Budgetkosten je Kostenstelle geplant. Jeder Kostenstellenverantwortliche ist für die Einhaltung der budgetierten Kosten sowie die geplanten Investitionen verantwortlich. Alle Investitionsvorhaben sind vom Vorstand freizugeben. Über das Budget hinausgehende Investitionen unterliegen der Genehmigung des Aufsichtsrats.

12.2 Angaben zu Kapital-, Anteils-, Stimm- und Kontrollrechten und damit verbundenen Verpflichtungen

Das Grundkapital des FACC-Konzerns belief sich zum 31. Dezember 2019 auf 45.790.000 EUR und ist in 45.790.000 auf den Inhaber lautende nennwertlose Stückaktien unterteilt. Sämtliche Aktien sind zum Handel im Segment Prime Market der Wiener Börse zugelassen. Jede Aktie entspricht einer Stimme in der Hauptversammlung.

Zum 31. Dezember 2019 war die AVIC Cabin Systems Co. Limited (vormals FACC International Company Limited) direkt bzw. indirekt mit 55,5 % an FACC beteiligt. Zum Bilanzstichtag 31. Dezember 2019 waren keine weiteren Aktionäre bekannt, die eine Beteiligung am Grundkapital von mehr als 10 % hielten.

Der im Streubesitz befindliche Anteil der FACC-Aktien betrug am 31. Dezember 2019 44,5 % oder 20.397.364 Stück.

Es existieren keine Aktien mit besonderen Kontrollrechten.

Bei FACC besteht kein Mitarbeiterbeteiligungsprogramm, in dessen Rahmen Mitarbeiter das Stimmrecht für ihre Anteile am Unternehmen nicht unmittelbar ausüben.

12.3 Genehmigtes Kapital

In der außerordentlichen Hauptversammlung vom 9. Juli 2019 wurde ein genehmigtes Kapital beschlossen. Der Vorstand ist demnach berechtigt, mit Zustimmung des Aufsichtsrats innerhalb von längstens fünf Jahren ab Eintragung des genehmigten Kapitals im Firmenbuch das Grundkapital um bis zu Nominale 9.000.000 EUR durch Ausgabe von bis zu 9.000.000 neuen Aktien gegen Bar- oder Sacheinlage zu erhöhen. Die Ausgabe der neuen Aktien kann auch unter Ausschluss des Bezugsrechts der Aktionäre erfolgen.

Die Eintragung des genehmigten Kapitals im Firmenbuch erfolgte mit 29. November 2019.

12.4 Bedingtes Kapital

In der ordentlichen Hauptversammlung vom 9. Juli 2019 wurde ein genehmigtes bedingtes Kapital beschlossen. Der Vorstand ist demnach berechtigt, mit Zustimmung des Aufsichtsrats innerhalb von längstens fünf Jahren ab Eintragung des genehmigten bedingten Kapitals im Firmenbuch das Grundkapital um bis zu einer Nominale von EUR 3.000.000,00 durch Ausgabe von bis zu 3.000.000 neuen Aktien gegen Bar- oder Sacheinlage zu erhöhen. Dieses genehmigte bedingte Kapital dient der Einräumung von Aktienoptionen an Arbeitnehmer, leitende Angestellte und Mitglieder des Vorstandes der Gesellschaft oder eines mit ihr verbundenen Unternehmens im Rahmen eines Aktienoptionsplans der Gesellschaft. Die Kapitalerhöhung ist zweckgebunden und darf nur so weit durchgeführt werden, als Inhaber von Optionen aus einem Aktienoptionsplan der Gesellschaft diese ausüben.

12.5 Bestimmungen zur Ernennung von Vorstand und Aufsichtsrat

Solange die AVIC Cabin Systems Co. Limited (vormals FACC International Company Limited), Aktionärin von FACC mit einer Beteiligung von zumindest 25 % des jeweils geltenden Grundkapitals ist, hat diese gemäß Punkt 11 der Satzung von FACC das Recht, bis zu ein Drittel aller Mitglieder des Aufsichtsrats zu ernennen.

Darüber hinaus bestehen keine Satzungsbestimmungen, die über die gesetzlichen Bestimmungen zur Ernennung von Vorstand und Aufsichtsrat sowie zur Änderung der Satzung hinausgehende Regelungen enthalten.

12.6 Sonstige Angaben

Zum 31. Dezember 2019 hielt die FACC AG keine eigenen Aktien.

Beschränkungen hinsichtlich der Stimmrechte der FACC-Aktien und deren Übertragung, auch aus Vereinbarungen zwischen Aktionären, sind FACC nicht bekannt.

Es bestehen keine Entschädigungsvereinbarungen zwischen FACC und ihren Vorstands- und Aufsichtsratsmitgliedern für den Fall eines öffentlichen Übernahmeangebots.

In den Vereinbarungen betreffend Schuldscheindarlehen sind „Change of Control“-Klauseln enthalten. Die Darlehensgeber sind berechtigt zu kündigen, wenn

- a. die Aviation Industry Corporation of China (AVIC) direkt oder indirekt insgesamt weniger als 50 % plus eine Aktie der Darlehensnehmerin hält oder
- b. die Aviation Industry Corporation of China (AVIC) weder direkt noch indirekt das Recht hat, die Mehrheit der Geschäftsführungs- oder Aufsichtsratsmitglieder der Darlehensnehmerin zu bestimmen und zu ernennen.

13. AUSBLICK

13.1 Der Markt der zivilen Luftfahrt

Die 2019 publizierten Marktprognosen von Airbus und Boeing bestätigen ein weiteres Mal, dass aus heutiger Sicht der langfristige Wachstumstrend in der zivilen Luftfahrtindustrie auch in Zukunft anhalten dürfte. Analysen der OEMs gehen von einer konstanten jährlichen Zunahme des Passagieraufkommens von rund 4,5 % aus. Zwischen 2019 und 2037 werden folglich etwa 40.000 neue Flugzeuge benötigt. Im Vergleich zur Prognose 2018 ist das ein Plus von 2.500 Flugzeugen. Gleichzeitig geht aus den letzten Ratenvorschauen für die kommenden zwei Jahre hervor, dass sich der Anstieg bei einigen Flugzeugmustern stabilisiert hat und etwas flacher verlaufen wird, als noch vor einem Jahr angenommen. Aus heutiger Sicht werden die Fertigungsraten für den Langstreckenmarkt in den kommenden 24 bis 36 Monaten kein Wachstum verzeichnen, in einzelnen Fällen (B787) ist eine kurzfristige Anpassung der Fertigungsraten von 14 auf zwölf bzw. zehn Flugzeuge pro Monat ab dem vierten Quartal 2020 zu erwarten. Die unmittelbaren Umsatzentwicklungen der Luftfahrzeugzulieferindustrie haben sich bereits im Jahr 2019 wie vorhergesagt auf hohem Niveau stabilisiert, für das Jahr 2020 kann aus heutiger Sicht davon ausgegangen werden, dass sich diese Situation nicht wesentlich verändert. Die Zulassung und damit verbundene Wiederaufnahme des regulären Flugbetriebs der B737 MAX wird 2020 ein wesentlicher Industriemeilenstein sein – ein formaler Neuzulassungstermin wurde bisher nicht bekanntgegeben.

Die bereits in den letzten Jahren erwartete Verschiebung der Absatzmärkte hin zu den neuen Wachstumsmärkten China und Indien bestätigt sich und wird sich auch in Zukunft weiter fortsetzen. Das Verkehrsaufkommen (Reisetätigkeit pro Jahr und Einwohner) soll sich in diesen Ländern bis zum Jahr 2036 vervierfachen. Das Reiseaufkommen je Einwohner in den USA und in Europa soll sich – obwohl es sich bereits heute auf hohem Niveau befindet – im gleichen Zeitraum um 40 % erhöhen.

Im vergangenen Jahr lieferten Airbus und Boeing zusammen 1.243 neue Verkehrsflugzeuge an ihre Kunden aus (Vorjahr: 1.606). Im gleichen Zeitraum wurden 681 Flugzeuge an Airlines verkauft (Vorjahr: 1.640). Beide Werte (Auslieferungen und Neubestellungen) können aufgrund der bekannten Thematik rund um die B737

MAX nur bedingt für einen direkten Vergleich der Kennzahlen mit dem Jahr 2018 verwendet werden. Die Auslieferungen von Flugzeugen des Modells B737 MAX an bestehende Kunden wurde ab März 2018 vorübergehend eingestellt. Airbus wiederum lieferte im Jahr 2019 863 Flugzeuge aus (Vorjahr: 800) und verbuchte 786 Neubestellungen (Vorjahr: 747). Der Order Backlog aller verkauften Flugzeuge beträgt derzeit 12.913 Flugzeuge und lastet die Industrie unter der Annahme von derzeit gültigen jährlichen Auslieferungsraten für ca. sieben Jahre aus.

Ein Merkmal in der Industrie ist das Voranschreiten von Übernahmen und der Bildung neuer Allianzen. Die Übernahme des Bombardier-C-Series-Programms durch Airbus mit 1. Juli 2018 ist weiter vorangeschritten. Darüber hinaus hat sich Bombardier von seiner Luftfahrt-Strukturfertigung getrennt und hat diese an Spirit verkauft. Die Verhandlungen zwischen Boeing und Embraer mit dem Ziel, dem Beispiel von Airbus zu folgen, wurden abgeschlossen. Boeing übernimmt die Verkehrsflugzeugsparte von Embraer. Embraer konzentriert sich auf die Entwicklung und die Herstellung von Produkten für Business Jets sowie den nicht kommerziellen Bereich.

COMAC treibt die die Serienfertigung seines Flugzeugs AR21 weiter voran und schließt im Jahr 2019 weitere Programmmeilensteine bei der Entwicklung der C919 ab. Die Inbetriebnahme der COMAC 919 ist aus heutiger Sicht für das Jahr 2021 geplant, für das Flugzeug liegen 815 Bestellungen vor.

13.2 Globale Einflüsse und Trends

Wie eingangs erwähnt, ist eine generelle Abschwächung des weltweiten Wirtschaftswachstums wahrnehmbar. Diese Entwicklung wirkt sich auf den Langstreckenmarkt stärker aus – die Bedarfe an Großraumflugzeugen mit Sitzplätzen für mehr als 350 Passagiere haben sich aus diesem Grund auf hohem Niveau stabilisiert bzw. wird es bei einzelnen Flugzeugtypen zu kurzfristigen Ratenreduktionen kommen (siehe Angaben unter 12.1).

Die weiteren Entwicklungen rund um das Coronavirus und die damit verbundenen Auswirkungen auf den globalen Konsum, Tourismus und die Industrie sind aus heutiger Sicht noch nicht bewertbar. Erste Prognosen gehen davon aus, dass sich das globale Wachstum 2020 durch das Coronavirus merkbar verlangsamen wird. Besonders eine längere Einschränkung der Reiseaktivitäten in den asiatischen Wachstumsmärkten könnte zu kurzfristigen Überkapazitäten in der Airline-Branche führen. Auswirkungen auf die Auslieferungs- und Bauraten von Flugzeugen sind bislang nicht bekannt, diese könnten sich aber als Konsequenz einstellen, sollten bestehende Reisehemmnisse langfristig aufrecht bleiben.

Nachhaltige Mobilitätskonzepte verbunden mit der Notwendigkeit, CO₂-Emissionen signifikant zu reduzieren, rücken immer mehr in den Mittelpunkt der öffentlichen Diskussion. Besonders der individuelle Verkehr aber auch die Luftfahrzeugbranche werden sich auf diese Trends einstellen und mit entsprechenden technologischen Innovationen zur Zielerreichung beitragen müssen. In Summe beträgt der CO₂-Anteil der Luftfahrtindustrie 2,7 %. In den letzten 50 Jahren wurde dieser Wert bereits halbiert, und das bei einer Ver vierfachung des Passagieraufkommens im selben Zeitraum. Ziel der Luftfahrzeugindustrie ist es, ihren Anteil an den weltweiten CO₂-Emissionen bis 2050 auf unter 1,5 % zu reduzieren. Auf Basis ihrer Leichtbaukompetenz und den steigenden Anforderungen neuer

Flugzeuge hinsichtlich ihrer Effizienz kann FACC dem Markt neue Lösungen zur Erreichung dieser Ziele anbieten.

13.3 FACC-Konzern

B Bedingt durch das ausgeglichene und breite Kunden- und Produktportfolio sowie den geplanten Serienhochläufen neuer Projekte wird FACC auch im Geschäftsjahr 2020 ihren Wachstumskurs fortsetzen.

Die Entwicklung neuer zukunftsweisender Produkte sind weit fortgeschritten, die Zulassungstests verlaufen planmäßig und der Serienhochlauf befindet sich zum Teil bereits in Umsetzung. Die im Geschäftsjahr 2019 begonnen Ratenhochläufe werden weiter fortgesetzt, zusätzliche Serienhochläufe – allen voran im Bereich Engine Systems – werden im Jahresverlauf in den Serienbetrieb übertreten. Auch bei diesen Projekten, erfolgt in den Jahren 2020 sowie 2021 der stufenweise Ratenhochlauf.

Für das Geschäftsjahr 2020 erwartet FACC auf Basis der heutigen Markteinschätzung und des aktuellen Produktmixes des Konzerns ein stabiles bis leicht ansteigendes Umsatzwachstum, das mit dem Wachstum des Marktes einhergeht. Die in den letzten Jahren durchgeführten Aktivitäten zur Steigerung der Ertragskraft werden weiter forciert – mit dem Ziel, natürliche Kostensteigerungen zu kompensieren.

Darüber hinaus werden zusätzliche Aktivitäten gestartet:

- Die Errichtung der zusätzlichen Fertigungsstätte in Kroatien wird im Jahr 2020 erfolgen. Die zusätzlichen Kapazitäten werden planmäßig ab dem Jahr 2021 fertig zur Verfügung stehen.
- Der im Geschäftsjahr 2015 eingeschlagene Weg zur vertikalen Integration von Kernkompetenzen in das Fertigungsnetzwerk von FACC wird nachhaltig ausgebaut. Ziel ist es, den Wertstrom zu vereinfachen, die Material- bzw. die Zukaufkosten weiter zu senken und die Abhängigkeit von einzelnen Supply Chains signifikant zu reduzieren. Hierfür wurden im Geschäftsjahr 2019 entsprechende Investitionen getätigt. Ein wesentlicher Meilenstein hierbei wird der Fertigungsstart von metallischen Komponenten sein. Diese wurde bisher zu 100 % über Supply Chains beschafft. In einer hochautomatisierten Fertigungszelle wird 2020 die Fertigung von Aluminiumbeschlägen durch FACC gestartet. Der Kompetenzaufbau im Bereich von hochqualitativen Flugzeugmöbeln schreitet ebenfalls planmäßig voran, neben Investitionen im Fertigungsumfeld wurden neue Materialien entwickelt, zugelassen und patentiert. Der Fertigungsstart wird im Geschäftsjahr 2020 erfolgen, mit einer kontinuierlichen Erhöhung der Wertschöpfung in den Jahren 2021 und 2022.
- Verabschiedet wurde ein generelles Effizienzsteigerungsprogramm in Höhe von 50 Mio. EUR. Es sieht mehrere Aktionsfelder vor und beinhaltet folgende Hauptbereiche:
 - Erhöhung der generellen Fertigungseffizienz durch Lernkurven- und Produktionstaktungseffekte

- Reduktion der Materialkosten durch (i) eine Konsolidierung der bestehenden Supply Chains sowie (ii) die vertikale Integration (Insourcing) von Bauteilgruppen mit hohen Zukaufwerten bzw. Systemen, die zur Kernkompetenz von FACC gehören
- Weitere Optimierungen der administrativen und operativen Abläufe und damit verbunden eine Verschlan­kung der Organisation
- Verlagerungen der Fertigung in das neue Werk in Kroatien und damit verbunden eine deutliche Reduzierung der Herstellungskosten bei Produkten mit hohen Lohnkostenanteilen

Einhergehend mit dem geplanten Umsatzwachstum möchte FACC die Ertragskraft des Unternehmens schrittweise erhöhen, wobei nach Umsetzung der oben erwähnten Maßnahmen innerhalb von drei Jahren eine EBIT-Marge von mehr als 8 % angestrebt wird. Bedingt durch die Einführung der beschriebenen Neuprojekte, besonders im Interior-Bereich, werden die Margen im ersten Halbjahr

2020 den Margen des Vorjahres folgen. Hauptziel ist es, die stark wachsende Sparte Cabin Interiors ab dem zweiten Halbjahr 2020 stabil in die Gewinnzone zu führen und dort eine stufenweise Margenverbesserung voranzutreiben. Unter Berücksichtigung der heutigen Marktsituation geht FACC davon aus, dass die Ertragslage in den Segmenten Aerostructures sowie Engines & Nacelles auf dem Niveau von 2019 bleiben wird.

An der Erreichung des Etappenziels von einer Umsatzmilliarde wird auch im Geschäftsjahr 2020 durch das aktive Bearbeiten des Marktes intensiv gearbeitet.

Zusammenfassend wird der FACC-Konzern seine Aktivitäten von der Entwicklung, der Herstellung sowie dem globalen Supply Chain Management weiter forcieren und damit seine Position als bevorzugter Technologiepartner der Luftfahrtindustrie nachhaltig ausbauen. Die Umsetzung der Konzernstrategie „Vision 2020“ im Hinblick auf die Stärkung und den Ausbau des Rangs eines Tier-1-Lieferanten in der globalen Luftfahrtindustrie hat weiterhin höchste Priorität.

Ried im Innkreis, am 6. März 2020

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