

ANNUAL FINANCIAL REPORT 2025

POTENTIAL
IN ACTION



SUSTAINABILITY STATEMENT

1. ESRs 2 GENERAL DISCLOSURES

1.1. Basis for preparation

1.1.1. DR BP-1 – General basis for preparation of sustainability statements

This non-financial statement was prepared in accordance with § 267a of the Austrian Commercial Code (UGB) as part of the management report of the consolidated financial statements, in compliance with the requirements of the Austrian Sustainability and Diversity Improvement Act (NaDiVeG). The non-financial statement was drafted on the basis of the European Sustainability Reporting Standards (ESRS) in preparation for the reporting obligations under the CSRD. A reference to the ESRS reporting framework does not imply that either full methodological or substantive alignment of the qualitative and quantitative disclosures included in the consolidated non-financial statement is intended. The data points presented serve as guidance. Any reference to "ESRS" within the report text shall be understood as "with reference to" the ESRS framework.

(ESRS 2-BP-1.5a): The Sustainability Statement of FACC AG for the calendar year 2025 was prepared on a consolidated basis. Where reference is made in the remainder of this report to the "non-financial statement," this shall always be understood in a consolidated context.

(ESRS 2-BP-1.5b i+ii): The scope of consolidation of the non-financial statement corresponds to that of the consolidated financial statements. None of the subsidiaries of FACC AG (hereinafter "FACC") is therefore excluded or exempt from the consolidated non-financial statement.

(ESRS 2-BP-1.5c): Scope of the assessment of impacts, risks and opportunities (IROs):

Within the scope of the due diligence processes and the double materiality analysis (DMA), FACC analyzed specific activities along the value chain to identify material impacts, risks and opportunities. This analysis focused on the following:

1. Upstream activities:

Procurement of raw materials (ESRS E5, S2): The analysis of key suppliers and of raw materials procurement was identified as significant, particularly with regard to resource inflows and compliance with environmental standards. These activities were closely

examined through comprehensive supplier audits and the assessment of certifications such as ISO 14001 to ensure that all suppliers are in compliance with social and environmental standards.

- Environmental and social impacts (ESRS E1, E2, S2): Compliance with environmental standards, including the reduction of emissions (ESRS E1) and the prevention of pollution (ESRS E2), as well as ensuring fair working practices at suppliers (ESRS S2) are central aspects of the due diligence processes.

2. Downstream activities:

- Assessing the distribution, use and disposal of products was considered to be essential to understanding the environmental impacts throughout the life cycle of the products. These activities are significant as they influence the ecological footprint of the products and contribute to improving recyclability. The efficient use of resources (ESRS E5) also plays a role in this context.
- Social responsibility towards its own workforce (ESRS S1): FACC ensures that the working conditions of its own workforce meet social standards and are continuously improved. The well-being of employees is an important issue, which is described in more detail under the disclosure requirements of ESRS-S 1 (among other things).

3. Immaterial activities:

- ESRS E3, E4, S3, S4: Activities related to water and marine resources, biodiversity and ecosystems, affected communities and consumers were classified as immaterial as they do not have a significant impact on FACC's strategic sustainability targets.

Please refer to ESRS 2 IRO-1 and subject-specific IRO-1 disclosures for identifying and assessing materiality.

(ESRS 2-BP-1.5d): FACC has decided not to withhold certain information concerning intellectual property, know-how and the results of innovation in accordance with ESRS 1 section 7.7.

1.1.2. DR BP-2 – Disclosures in relation to specific circumstances

(ESRS 2-BP-2.9a-b): In defining the time horizons, FACC has decided to adopt the definitions from ESRS 1 (Section 6.4). This means:

- a) Regarding the short-term time horizon: the period that the company has used as the reporting period in its financial statements,
- b) For the medium-term time horizon: the period from the end of the short-term reporting period as per point a) up to five years,
- c) For the long-term time horizon: the period of more than five years.

(ESRS 2-BP-2.10 a–c): Below is an overview of all metrics used by FACC, including their respective data sources. For certain metrics, estimated value-chain data derived from indirect sources (such as industry averages or average emission factors) were applied where primary data were not available.

a) Metrics Used

FACC measures and reports greenhouse gas emissions in accordance with the Greenhouse Gas Protocol Corporate Standard. The disclosure includes the following metrics, categorized by emission scope:

Scope 1 – Direct GHG emissions

- Mobile combustion (e.g., fuel consumption of company vehicles)
- Stationary combustion (e.g., natural gas, heating oil)
- Fugitive emissions (e.g., refrigerant losses)

Scope 2 – Indirect energy-related GHG emissions

- Purchased electricity
- Other purchased energy (e.g., district heating, where applicable)

Emissions are reported in tonnes of CO₂-equivalent (tCO₂e).

In addition, FACC documents the corresponding activity data (e.g., kWh, liters, kg), in line with ESRS requirements for metric transparency and completeness.

b) Data Sources and Calculation Methodology

GHG emissions are calculated primarily on the basis of site-specific consumption data covering all consolidated entities within the reporting boundary. Primary data sources include:

- Energy invoices from utility providers
- Fuel card and fuel purchase statements
- Internal metering and consumption records at site level
- Technical logs documenting refrigerant quantities
- Sustainability reporting submissions from each subsidiary as part of the group-wide reporting process

The conversion to CO₂-equivalents is conducted using recognized and authoritative emission factors, including those issued by:

- National environmental authorities
- DEFRA/UK Government GHG Conversion Factors
- International energy and emission databases
- Country-specific electricity mix factors

The methodology is consistently applied in alignment with the GHG Protocol, and Scope 2 emissions are reported in accordance with the location-based method unless otherwise required by regulation.

Where relevant, FACC applies ESRS principles on accuracy, completeness, and consistency throughout the calculation process.

c) Use of Estimates and Indirect Data Sources

Where primary data for specific emission sources or segments of the value chain are unavailable, FACC applies recognized estimation methods in line with ESRS requirements for estimates and approximations. Indirect data sources used include:

- Industry average values
- Average emission factors

All estimates are based on prudent and conservative assumptions to minimize the risk of underestimating emissions.

The applied methodologies undergo regular review and refinement, and are updated as improved data sources become available, ensuring progressive enhancement of data quality and alignment with ESRS expectations for continuous improvement.

(ESRS 2-BP-2.11): Estimates were made in the preparation of the non-financial report for the following two topics, with the specific ESRS detailing the calculation methodology:

- Substances of Very High Concern (SVHC) (E2-5): SVHCs were reported from the perspective of the total material weight rather than on the basis of pure substances. The reported weights therefore represent the sum of the total weight of the materials and not the sum of the pure substances, which are estimated to account for only about 10-15% of the material. More specific calculation methodologies for this will be available in fiscal year 2026.

(ESRS 2-BP-2.13 a-c): There are no reportable changes compared to the previous financial year.

(ESRS 2-BP-2.14 a-c): There are no reportable changes compared to the previous financial year.

(ESRS 2-BP-2.15): FACC integrates additional information from other legal requirements and recognized standards into the non-financial statement. In addition to the information prescribed by the ESRS, the report also includes:

1. EU Taxonomy (EU Regulation 2020/852): A dedicated chapter in the report is devoted to the EU Taxonomy, which outlines the alignment of FACC's business activities with the criteria of the EU Taxonomy.

2. GHG Protocol: FACC uses the Greenhouse Gas (GHG) Protocol for reporting greenhouse gas emissions. This methodology is applied to capture and report emissions in Scope 1 and Scope 2, providing a comprehensive representation of the company's climate impacts (see ESRS E1-6).

3. ILO Human Rights Standards: These are embedded in FACC's Code of Conduct and Supplier Code of Conduct and are referenced in ESRS S-1 and S-2. In this report, the term "ILO human rights standards" consistently refers to the definitions provided under S2.SBM-3.10.

By incorporating these additional standards, FACC ensures that the non-financial statement is comprehensive and aligned with relevant regulatory requirements. The application of these standards is precisely referenced in the respective chapters of the report.

1.2. Governance

1.2.1. DR GOV-1 – The role of the administrative, management and supervisory bodies

(ESRS 2-GOV-1.21) (ESRS 2-GOV-1.21a (ESRS 2-GOV-1.21b) (ESRS 2-GOV-1.21c) (ESRS 2-GOV-1.21d) (ESRS 2-GOV-1.21e):

(ESRS 2-GOV-1.21b): Organization and mode of operation of the Management Board

According to its Articles of Association, the Management Board of FACC consists of a minimum of two and a maximum of four people. In the reference year 2025, there were four members. Management Board members are appointed by the Supervisory Board.

The Management Board conducts the business of FACC in accordance with the law, the Articles of Association, and the applicable Rules of Procedure. The allocation of responsibilities among the individual members of the Management Board is defined in the Rules of Procedure. The Rules of Procedure also govern the cooperation within the Management Board. Furthermore, the Management Board has committed itself to full compliance with the rules of the Austrian Code of Corporate Governance (ÖCGK).

CEO: Robert Machtlinger (1967)

Chairman of the Management Board

First appointed: 2014

End of the current term of office: 06/2030

Purviews: Sales & Business Development, Production, Marketing, Corporate Communications, Research & Development, Quality, Real Estate, Environment, Health & Occupational Safety.

Supervisory board mandates in other companies: Flughafen Linz GesmbH

CFO: Florian Heindl (1982)

Member of the Management Board

First appointed: 2024

End of the current term of office: 04/2029

Purviews: Finance & Accounting, Controlling & Budgeting, Tax, Treasury & Insurance, Human Resources, IT, Legal, Export Control & Compliance, Investor Relations, Investments, Subsidiaries, Sustainability.

Supervisory board mandates in other companies: none

CSO: Tongyu Xu (1968)

Member of the Management Board

First appointed: 2024

End of the current term of office: 04/2028

Purviews: Strategy, Procurement, Logistics, Internal Audit, Internal Control System & Corporate Compliance, China Business Relations, Risk Management, M&A.

Supervisory board mandates in other companies: none

Members of the Management Board who left the company in the 2025 financial year:

Andreas Ockel (1966)

First appointment: 2017
End of term of office: 06/25

Supervisory Board

Chengkuan Wang (1968)

Chairman

First appointed: 2024

End of the current term of office:

Annual General Meeting resolving on the 2028 financial year

Supervisory board mandates in other companies: none

Bin Wang (1972)

Deputy Chairwoman

First appointment: 2025

End of current term of office:

Annual General Meeting resolving on the financial year 2029

Supervisory board mandates in other companies: none

Xu Yang (1982)

First appointment: 2025

End of current term of office:

Annual General Meeting resolving on the financial year 2029

Supervisory board mandates in other companies: none

Weixi Gong (1962)

First appointment: 2014

End of current term of office:

Annual General Meeting resolving on the financial year 2026

Supervisory board mandates in other companies: none

Jiajia Dai (1978)

Delegation: 2023

End of current term of office:

Annual General Meeting resolving on the financial year 2027

Supervisory board mandates in other companies: none

Ian Chang (1954)

First appointment: 2022

End of current term of office:

Annual General Meeting resolving on the financial year 2026

Supervisory board mandates in other companies: none

Junqi Sheng (1972)

First appointment: 2017

End of current term of office:

Annual General Meeting resolving on the financial year 2026

Supervisory board mandates in other companies: none

Tom Williams (1952)

First appointment: 2020

End of current term of office:

Annual General Meeting resolving on the financial year 2026

Supervisory board mandates in other companies:

Co-Chairman of the Board of Directors of Montana Aerospace AG

Members of the Supervisory Board delegated by the Works Council:

Jürgen Fscher (1981)

First delegated: 2021

Barbara Huber (1965)

First delegated: 2014

Erwin Hofinger (1965)

First delegated: 2024

Karin Klee (1981)

First delegated: 2018

Members of the Supervisory Board who resigned in the 2025 financial year:

Jian Wang left the Supervisory Board in the 2025 financial year.

Independence of the members of the Supervisory Board

The Supervisory Board has adopted the guidelines for independence as set out in Appendix 1 of the Austrian Code of Corporate Governance (ÖCGK). Accordingly, all members of the Supervisory Board (100%) have declared that they are independent of the company and its Management Board (C-Rule 53 of ÖCGK).

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 and also diversity (Gender diversity). Due regard must also be paid to diversity aspects. 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 board members. Women have been represented on the Supervisory Board of FACC since the company was first listed on the Vienna Stock Exchange. At the end of the 2025 financial year, the proportion of female members of the Supervisory Board was 33 percent (four out of twelve).

At FACC, 16 women are currently represented on the Supervisory Board, Management Board and in other top management positions.

No women (0%) are on the Management Board. As in the past, the proportion of female executives at the lower management levels is still low. In order to counteract this situation, FACC continues to present itself at job fairs and specifically addresses high-potential female candidates. In addition, FACC is committed to promoting girls in technical training programs. The company also endeavors to recruit more women for new and replacement management positions.

Employee representation:

FACC attaches great importance to the representation of its employees and other members of the workforce within the company. This is ensured by a works council (for both blue-collar and white-collar staff) at the Austrian locations. It represents the interests of FACC's staff and serves as a link between the workforce and management. The works council is integrated into decision-making processes and plays an important role in negotiating working conditions and agreements.

In addition to the works council, all members of staff, particularly at locations outside of Austria without a works council, can contact the HR department at any time. FACC promotes an open dialog between its staff and management through regular meetings, feedback rounds and employee surveys. In addition, employees have additional communication channels at their disposal (such as the whistleblower hotline) to contribute their opinions and suggestions and actively participate in shaping the working environment.

External staff working for FACC on projects or temporary assignments are also included in the communication and decision-making processes to ensure that their views and needs are taken into due account.

(ESRS 2-GOV-1.22c) (ESRS 2-GOV-1.22d): FACC's Management Board, in particular the CSO (Chief Sustainability Officer), plays a key role in fundamental governance processes.

In principle, the CSO is responsible for ensuring that sustainability management is properly designed. However, as this cross-cutting issue affects many specialist areas (the core team), the entire Management Board is involved in this topic. In addition, each Vice President (VP) bears responsibility for the sustainability issues within their purview.

Responsibility for the management of material risks and impacts is delegated to the Senior Manager CSR and Export Control, who works in the LCIPS (Legal, Compliance, IP and Sustainability) department under the leadership of the General Counsel (head of the LCIPS department). The Senior Manager CSR and Export Control is also responsible for monitoring activities relating to CSR compliance and non-financial risk management and reports to the General Counsel, who in turn reports directly to the CSO on CSR matters.

Together with the core team consisting of department heads from Procurement, Sales, Health and Safety, HR, Facility Management and Risk Management, IROs are jointly assessed (based on pooled expertise, among other things) and the DMA developed. The General Counsel monitors this process and sends quarterly Steering Committee invitations to the CSO and the Senior Manager CSR and Export Control to regularly discuss progress and challenges.

Alignment of non-financial strategic goals and opportunities at FACC:

Preparation by the core team: The core team and the Senior Manager CSR and Export Control, as well as other relevant department heads, collect and analyze data on current sustainability trends, regulatory requirements and internal performance indicators. This information is then used to elaborate sound proposals for strategic goals and opportunities.

Development of proposals: Based on the analysis, the core team develops concrete proposals for non-financial strategic goals. These proposals include specific measures, time schedules and expected results that are in line with FACC's long-term sustainability targets.

Coordination and consultation: The elaborated proposals are coordinated with relevant internal stakeholders following a bottom-up approach. This includes consultations with various departments to

ensure that the proposals are realistic and feasible and have the support of the entire organization.

Presentation to the whole Management Board: The agreed proposals are presented to the whole Management Board in a formal meeting. The General Counsel and the Senior Manager CSR and Export Control explain the strategic objectives and opportunities, the proposed measures and the anticipated effects.

Decision making: The whole Management Board discusses the proposals, takes the feedback into account, and reaches a decision on the adoption and implementation of the strategic goals. This ensures that the decisions are in line with the overarching corporate goals and the sustainability strategy.

Implementation and monitoring: Following approval by the Management Board, the strategic goals are integrated into the operational plans. The core team monitors implementation and reports regularly to the Management Board on the progress and results achieved.

By creating a DMA for the first time, the company has been obliged to deal more intensively with the identified impacts, risks and opportunities (IROs). The aim is to define clearer processes and responsibilities over the next one to three years, including the establishment of reporting lines to administrative management and supervisory bodies.

The Management Board submits the non-financial statement to the Supervisory Board.

With the exception of the aforementioned processes, no other specific controls or procedures are applied to the management of impacts, risks and opportunities. The company is in the process of developing these frameworks and plans to integrate them with other internal functions in the future.

(ESRS 2-GOV-1.23) (ESRS 2-GOV-1.23a-b): FACC ensures the availability and development of the requisite skills and expertise to monitor sustainability issues through the following approaches:

Staff selection: Highly trained and experienced personnel are assigned responsibility for this task.

Further training opportunities: FACC offers its managers and employees access to training courses and workshops to broaden their knowledge of sustainability topics. These offers are flexible and tailored to current needs.

Involvement of external expertise: Where required, FACC engages external consultants to address specific sustainability issues. This allows the company to stay abreast of the latest developments and benefit from external specialist knowledge.

Feedback and adaptation: Informal feedback and regular discussions ensure that the executive bodies develop the necessary skills to effectively monitor the sustainability targets.

Expertise of the administrative, management and supervisory bodies with regard to aspects of the corporate policy:

The FACC executive bodies boast a wide range of competencies in the area of sustainability, which they can draw on directly or supplement with external resources.

Internal expertise: Several members of the executive bodies, including the Senior Manager CSR and Export Control, possess in-depth knowledge of sustainability issues. This expertise is constantly expanded through regular training and participation in relevant conferences and workshops.

External resources: FACC engages external consultants and experts to address specific sustainability issues. These external partners contribute additional expertise and support the company in the implementation of best practices.

With international experience in business and aviation, the professional and diverse management and supervisory boards help to ensure that FACC operates on a solid foundation when it comes to sustainability.

The skills and experience of FACC's Management and Supervisory Boards qualify these bodies to review and approve the proposed guidelines for the management of significant impacts, risks and opportunities.

For FACC, the available skills and expertise of its executive bodies are crucial for the effective management of the identified material impacts, risks and opportunities (IROs). Expertise in the area of sustainability enables the executive bodies to comprehend the complex interrelationships between FACC's business activities and their environmental and social consequences. This is crucial for making informed decisions that meet both corporate objectives and sustainability requirements.

The capabilities available to the company help to identify potential risks at an early stage and develop suitable risk mitigation measures. This includes compliance with regulatory requirements as well as proactive adaptation to changing market conditions. At the same time, the expertise of the executive bodies supports FACC in identifying and exploiting opportunities in the area of sustainability, such as the development of new, eco-friendly products or the optimization of processes to increase resource efficiency.

In addition, the executive bodies make use of their competencies to continuously review and adjust FACC's strategic orientation with regard to sustainability. This ensures that the company not only addresses current challenges, but also pursues long-term sustainability targets. Through this targeted use of skills and expertise, FACC is able to effectively manage its key IROs and successfully implement its sustainability strategy.

(G1-GOV 1.5) (G1-GOV 1.5a): Supervisory Board

The Supervisory Board's actions are based on 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 is committed to complying

with the rules of the Austrian Code of Corporate Governance. With regard to the company's internal regulations, the Articles of Association and Rules of Procedure are of primary importance. As a matter of principle, compliance at FACC is ultimately monitored by the Supervisory Board.

Management Board

At FACC, the Vice Presidents (E2) bear administrative responsibility for the various departments.

For information on the qualifications of the Vice Presidents and the specific areas of responsibility of the Management Board, Vice Presidents and the Supervisory Board, please refer to the notes on ESRs 2-GOV-1.23 and ESRs 2-GOV-1.23 a-b.

1.2.2. DR GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

(ESRS 2-GOV-2.26) (ESRS 2-GOV-2.26a): The Senior Manager CSR and Export Control prepares detailed reports that are submitted to the Steering Committee, including the Management Board, each quarter. These reports include current developments as well as the IROs and significant changes identified as material by the Risk Management department within the next two financial years, in order to ensure that the Management Board is regularly kept up to date.

- In the 2024 financial year, the double materiality analysis (DMA) and the evaluation of ESG impacts, risks and opportunities were conducted for the first time, and the Management Board was informed of the findings through special meetings and presentations. These meetings were held as soon as significant results were available to ensure that the Management Board was comprehensively informed about the latest findings and the necessary measures. In 2025, there were no changes in the DMA or in the identified IROs.
- The implementation of due diligence practices in the CSR area is also monitored and reported on by the Senior Manager CSR and Export Control. In the 2024 financial year, the results of the due diligence analyses were communicated to the Management Board through targeted reporting to ensure that the practices are applied consistently.
- Within the next one to two years, FACC aims to establish a written process to evaluate the effectiveness of policies, actions, metrics and targets (P, A, M and T) to address material IROs. These reports should include an assessment of whether the measures are producing the desired results.

Current reporting is performed on a quarterly basis during the Steering Committee meetings in order to ensure that the implementation of the company's sustainability targets is continuously monitored and improved.

(ESRS 2-GOV-2.26b): Given that FACC analyzed significant impacts, risks and opportunities (IROs) for the first time in 2024 and these have not yet been taken fully into account, the administrative management and supervisory bodies have not yet begun to successfully integrate these findings into the corporate strategy, decisions on major transactions and the risk management process.

The first analysis of IROs provided the executive bodies with initial insights into potential challenges and opportunities, which will serve as a basis for future strategic planning and decision-making. Although the IROs are not yet fully integrated, they will in future be taken into account in the monitoring of the corporate strategy to ensure that the company's strategic goals are progressively aligned with its long-term sustainability targets.

The executive bodies will begin to assess potential trade-offs between short-term gains and long-term impacts. It is planned, for large transactions, that the IROs will be progressively included in the assessment of financial, environmental and social impacts, which will help the executive bodies to make informed decisions that promote the long-term stability and sustainability of the company. Non-financial IROs will be gradually integrated into the existing risk management process in the coming years to ensure that potential risks are identified at an early stage and suitable risk mitigation measures are developed.

(ESRS 2-GOV-2.26c): In the reporting period, the administrative, management and supervisory bodies dealt with a number of significant impacts, risks and opportunities (IROs). Some of the most important topics are outlined below:

- Environmental impacts
- CO2 emissions and measures to reduce these
- resource efficiency and circular economy
- Social and labor-related risks
- working conditions and job security
- compliance with human rights and ethical standards
- fostering diversity and inclusion
- Financial opportunities and risks
- Financial stability and liquidity

1.2.3. DR GOV-3 – Integration of sustainability-related performance incentive schemes

(ESRS 2-GOV-3.29 a-e): Compensation Components

Total compensation consists of fixed and variable components. While fixed compensation is granted regardless of company performance, variable compensation is tied to the fulfillment of specific, transparent performance criteria. Specific incentive systems and compensation policies directly linked to sustainability topics are:

Fixed, performance-independent compensation components: The fixed compensation components include base salary, pension commitments, severance commitments, benefits in kind, and fringe benefits.

Variable compensation components based on the fulfillment of financial and non-financial performance criteria, with non-financial performance criteria set annually by the Supervisory Board.

Board members are entitled to variable compensation. This depends on the economic development of FACC and the achievement of individually agreed goals. The performance criteria are aligned with the company's sustainable growth strategy, ensuring performance-based compensation and promoting a responsible management culture. Fairness is ensured through payment in the following year and based on verified and disclosed criteria. The performance criteria ensure a balance between financial and efficiency indicators, thereby reflecting the company's sustainable growth strategy.

A prerequisite for the payment of variable compensation components is the distribution of a dividend. The maximum achievable bonus for all board members is limited to 70 percent of a dividend payment for the affected fiscal year. Variable compensation is capped at 100 percent of the respective gross base salary. In addition to quantitative criteria, there are also qualitative criteria that are determined according to the area of responsibility of the respective board member. As mentioned, FACC does not yet have specific incentive systems and compensation policies directly linked to sustainability topics at the reporting date.

However, FACC is actively examining the possibility of developing and implementing such incentive systems characterized by transparency, fairness, and equality, ensuring that sustainability-related performance is recognized and rewarded. Currently, no specific performance indicators or targets related to sustainability are used for evaluation. Consequently, sustainability indicators are not considered as performance measures or benchmarks in compensation policies, and variable compensation does not depend on sustainability goals or impacts. In considerations for introducing such systems, discussions are held on which specific sustainability goals, such as the reduction of greenhouse gas emissions, could be considered as criteria for evaluation. It is also discussed what proportion sustainability-related performance criteria could make up of variable compensation. These potential systems are being developed to align the company's strategy with sustainability goals. The conditions for such incentive systems and their annual evaluation would be conducted by the HR department, with all changes requiring approval from the Supervisory Board.

(E1-GOV-3.13): At the reporting date, FACC considered specific short- and long-term goals for reducing CO2 emissions, but climate-related considerations have not yet been incorporated into the compensation of members of the administrative management and supervisory bodies. At FACC, there are no specific financial incentives or bonuses tied to the achievement of these CO2 reduction goals, and no percentage of compensation was linked to climate-related considerations in the current reporting period. FACC defines climate-related considerations as measures to reduce carbon emissions, improve energy efficiency, manage climate risks, and obtain environmental certifications such as ISO 14001. While no financial incentives existed at the reporting date, FACC is actively examining the possibility of integrating such considerations

into future compensation structures to better support the company's climate goals and promote sustainable practices.

1.2.4. DR GOV-4 – Statement on due diligence

(ESRS 2-GOV-4.30; 32): To gain a better understanding of FACC's due diligence processes, please refer to the following disclosure requirements (DRs) and due diligence processes (DPs) below:

Table: Treatment of Due Diligence in the non-financial statement

Core Elements of Due Diligence	Paragraphs in the Sustainability Statement
a) Embedding due diligence in governance, strategy and business model	ESRS 2-GOV 2 26. a), b); ESRS 2-GOV 3 29., a), b), c), d), e)
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2-SBM 2 45. a) i.-v., S1 12., S2 9., S3 7., S4 8., ESRS 2-IRO 1, 53. b) iii., ESRS E1-2 24., ESRS E2-1 14., ESRS E5-1 14., ESRS S1-1 19., ESRS S2-1 16., ESRS S1-2 27. b))
c) Identifying and assessing adverse impacts	ESRS 2-IRO 1 53. a), e), g), E1 20. a), b) ii., c) i., 21., E2 11. a)
d) Taking actions to address those adverse impacts	ESRS E1-3 28., ESRS E2-2 18., ESRS E5-2 19., ESRS S1-4, ESRS S2-4.
e) Tracking the effectiveness of these efforts and communicating	ESRS E1-4, ESRS S1-5.

1.2.5. DR GOV-5 – Risk management and internal controls over non-financial statement

(ESRS 2-GOV-5.36a-e) As of the reporting date, no specific key risks had been identified nor had any mitigation strategies been developed.

However, FACC is currently building an integrated risk management system in which both non-financial risks and enterprise risks are mapped within the same framework. The formalized process for identifying, assessing and prioritizing risks in this area is still being refined.

Accordingly, no specific key risks have yet been identified, and no mitigation strategies have been developed.

FACC is working on developing and implementing a comprehensive risk management and internal control system to ensure the accuracy, completeness and reliability of its non-financial statement. These planned systems will be supported by systematic data collection, regular employee training and the use of modern IT solutions.

In the future, internal control mechanisms and regular reviews will be integrated to ensure that all sustainability data are recorded and reported correctly and in compliance with applicable requirements.

1.3. Strategy

1.3.1. DR SBM-1 – Strategy, business model and value chain

(ESRS 2-SBM-1.40a-b) (ESRS 2-SBM-1.40a i): Revenue from contracts with customers is generated from the production of aircraft components, and from engineering services and other services in connection with the production of aircraft components. In the reporting year, no reportable changes occurred. A revenue breakdown according to type, segment and geographical region is provided below:

	2024	2025	2024	2025	2024	2025	2024	2025
	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
Product sales	315,737	327,705	133,675	156,359	354,292	422,938	803,704	907,002
Development services and other services	34,369	17,396	23,952	23,858	22,497	36,150	80,819	77,403
	350,106	345,100	157,627	180,217	376,789	459,088	884,523	984,405

(ESRS 2-SBM-1.40a ii): Significant markets for the 2025 financial year

	2024 EUR'000	2025 EUR'000
Germany	323,298	354,938
Canada	145,931	139,899
USA	138,850	149,717
Great Britain	102,215	116,795
China	50,175	79,031
Brazil	48,013	65,898
Other countries	76,042	78,127
	884,523	984,405

(ESRS 2-SBM-1.40a iii): Number of employees according to location (headcounts) as of December 31, 2025

	2024	2025
Total	4,039	4,050
Austria	3,247	3,218
Croatia	425	473
Canada	80	76
USA	69	67
India	125	137
China	22	22
Slovakia	71	57

(ESRS 2-SBM-1.40e-g):

Sustainability targets of FACC:

1. Geographic impacts

FACC's internal SMART targets focus on improving in-house processes and structures at its Austrian locations and on compliance with legal regulations. These measures may have an indirect positive impact on environmental standards in the main regions of Europe, North America and Asia by serving as a benchmark for sustainable practices (thermoset vs. thermoplastic, carbon-neutral production by 2040, etc.). At present, the targets do not yet apply group-wide, but only at the Austrian locations. However, there are plans to expand them in the future.

2. Key product groups and services

FACC focuses on the development and production of lightweight components for the civil aviation industry. Its sustainability targets relate, in particular, to the implementation of energy-efficient production processes and the increased use of recyclable materials, such as thermoplastics and bio-based materials, in order to reduce the company's environmental impact.

3. Customer groups

FACC mainly serves aircraft manufacturers and, in some cases, airlines (especially in the Maintenance, Repair and Overhaul sector). These customers benefit from a more sustainable product range characterized by innovative and more eco-friendly solutions, even if the sustainability targets are not directly aimed at specific customer groups. Lighter products, however, reduce fuel consumption for all customers.

4. Geographical areas

At present, FACC's sustainability targets apply primarily to its Austrian site, taking into account local legal and regulatory requirements. With a view to ensuring a uniform sustainability strategy, FACC plans to gradually extend these targets to all locations in Europe, North America and Asia. Over the next few years, the targets will also be gradually adjusted over and above legal and regulatory requirements.

5. Relationships with stakeholders

FACC promotes transparent and sustainable cooperation with its stakeholders, including customers, suppliers and local communities. This is supported by regular internal audits, active communication, and the publication of non-financial statements. These measures strengthen the trust of stakeholders and involve them in FACC's sustainability efforts (see also SBM-2).

6. Evaluating the current status

FACC tracks the progress made towards its sustainability targets through internal benchmarks and regular assessments. This means that progress towards the targets is continuously monitored in order to identify improvement measures and ensure that the defined targets are met (see ESRS E1-4 and E5-3).

7. Evaluation of currently material products and services

Lightweight components for civil aviation: This product group accounts for more than 90 percent of FACC's revenue and is thus of key importance. The sustainability targets in this area focus on implementing energy-efficient production processes and increasing the use of recyclable materials in order to reduce the company's environmental impact.

8. Challenges related to sustainability

A key challenge is to effectively integrate these sustainability goals into the entire value chain. This requires continuous efforts to ensure that all employees and departments understand and implement these goals. Business strategy challenges arise, among other things, from requirements to reduce CO₂ emissions by developing lighter and more efficient aircraft components. Energy efficiency is a key aspect that both reduces environmental impact and saves costs. Integrating the circular economy into the value chain promotes the use of recyclable materials and reduces waste. Strict regulatory requirements require continuous adjustments and investments in compliance.

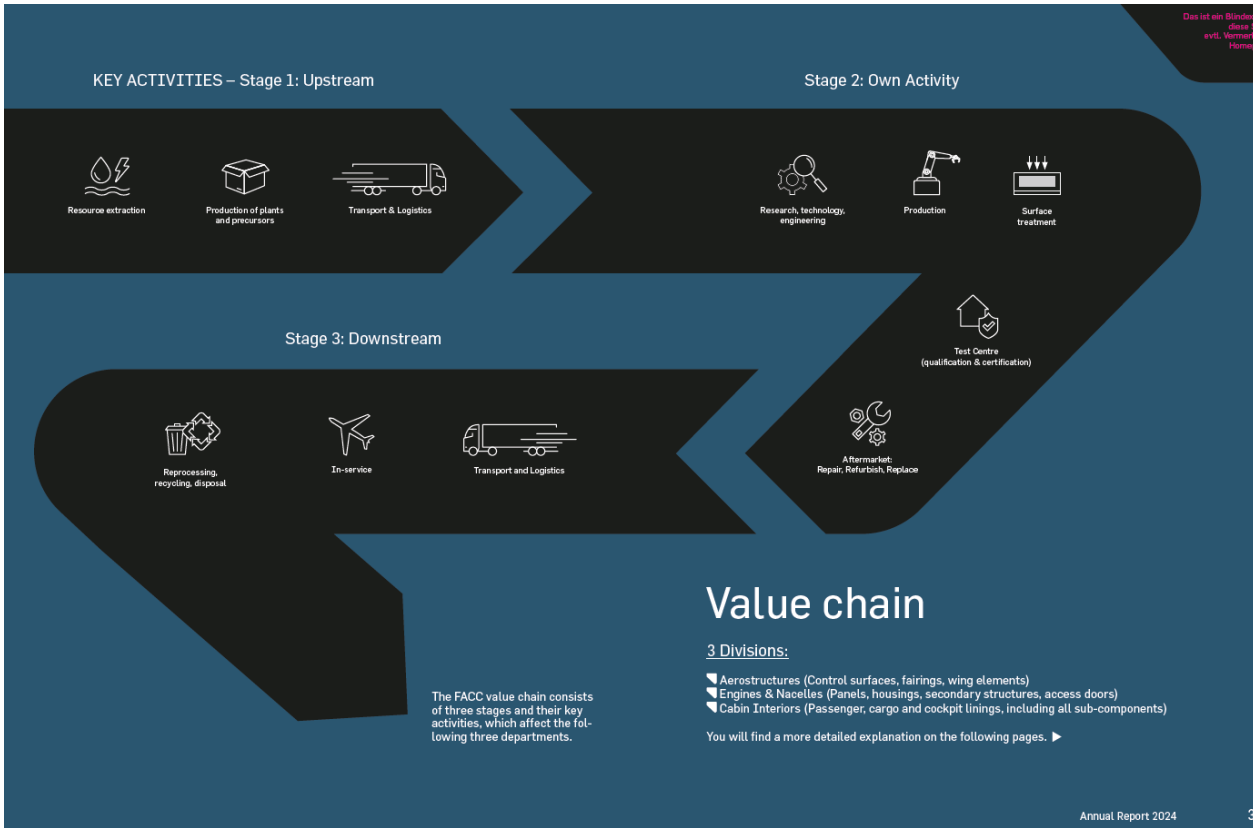
9. Assessment of key markets

European market: This market is of particular significance as it is subject to strict regulatory requirements that FACC must fulfill; a high percentage of FACC's revenue is generated in this market. The focus here is on complying with emission values. The company also considers to have a competitive advantage in this area by offering its customers the opportunity to switch from thermoset to thermoplastic. From this point of view, FACC regards the American and Asian markets as merely secondary or tertiary.

10. Critical solutions or projects

- Training programs: initiating staff training programs to raise awareness of sustainability issues
- Research and development: FACC focuses on investments in the research and development of sustainable materials and production processes to be able to offer more eco-friendly products in the long term.
- Expansion of LCA projects: Extending life cycle analyses (LCA) to other projects at FACC is a further important project.

(ESRS 2-SBM-1.42 a-c): Description of FACC's business model and value chain:



Aerostructures (Control Surfaces, Fairings, Wing elements)

Stage 1: Upstream



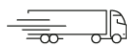
Resource extraction

Fibre-reinforced composites: carbon fibres are obtained from polyacrylonitrile (PAN) or pitch. Metal alloys: light alloys such as aluminium are obtained from bauxite. Titanium is extracted from the minerals rutile and ilmenite



Production of plants and precursors

Fibre-reinforced composites: resins (made by polymerising chemical monomers) – resins and carbon fibres are then combined using prepreg, laminated and cured. Metal alloys: Bauxite is broken down into aluminium and oxygen using the Bayer process and fused-salt electrolysis. Rutile and ilmenite are processed into titanium at high temperatures. The raw materials are then alloyed with materials such as copper, magnesium or vanadium and cast or forged into the required proportions and shapes



Transport & Logistics

Lorries, ships, cargo planes and freight trains are used to transport the resources to suitable production sites

Stage 2: Own Activity



Research, technology, engineering

Research into thermoplastic fibre composites, as these can be reheated and thus recycled



Production

Manufacturing of intermediate and end products for global export with a 35% recycling rate, especially strontium chromate and octylphenol with regard to REACH



Surface treatment

Sanding and application of alternative resins



Test Centre (qualification and certification)

Tests in our own test centres to check components and parts and to certify them according to the standards or to qualify them for further use



Aftermarket: Repair, Refurbish, Replace

Injection moulding, pressing process to reuse parts

Stage 3: Downstream



Reprocessing, recycling, disposal

Disassembly, inspection, reconditioning, recycling, disposal



In Service

Maintenance and servicing, monitoring and diagnostics, safety management, spare parts management






Transport & Logistics






Export quota of 100%, packaging material that is either used entirely: without plastic (metal containers or wooden boxes) or CO₂-neutral (Green Logistics, air cushion film). Global delivery

Engines & Nacelles (Panels, housings, secondary structures, doors)


Stage 1: Upstream

 Resource extraction Fibre-reinforced composites: carbon fibres are obtained from polyacrylonitrile (PAN) or pitch. Metal alloys: light alloys such as aluminium are obtained from bauxite. Titanium is extracted from the minerals rutile and ilmenite	 Production of plants and precursors Fibre-reinforced composites: resins (made by polymerising chemical monomers) – resins and carbon fibres are then combined using prepreg, laminated and cured. Metal alloys: Bauxite is broken down into aluminium and oxygen using the Bayer process and fused-salt electrolysis. Rutile and ilmenite are processed into titanium at high temperatures. The raw materials are then alloyed with materials such as copper, magnesium or vanadium and cast or forged into the required proportions and shapes	 Transport & Logistics Lorries, ships, cargo planes and freight trains are used to transport the resources to suitable production sites.
---	--	--

Stage 2: Own Activity




 Research, technology, engineering Research into thermoplastic fibre composites, as these can be reheated and thus recycled	 Production Production of intermediate and end products for global export with a 35% recycling rate, especially strontium chromate and octylphenol with regard to REACH	 Repair Full-service provider of component repair in the engine area
 Test Centre (qualification and certification) Tests in our own test centres to check components and parts and to certify them according to the standards or to qualify them for further use	 Aftermarket: Repair, Refurbish, Replace	

Stage 3: Downstream





 Reprocessing, recycling, disposal Disassembly, inspection, reconditioning, recycling, disposal	 In Service Maintenance and servicing, monitoring and diagnostics, safety management, spare parts management	 Transport & Logistics Export quota of 100%, packaging material that is either used entirely: without plastic (metal containers or wooden boxes) or CO ₂ -neutral (Green Logistics, air cushion film). Global delivery.
---	--	--

Cabin Interiors (Passenger, Cargo and Cockpit linings incl. all sub-components)




Stage 1: Upstream

 Resource extraction Sugar cane is fermented for resin systems, textiles and leather are made from biological sources such as wool or silk, or from synthetic materials. Plastics and composites are derived from petrochemical raw materials and other materials, sound insulation materials can be made from mineral resources (glass wool), synthetic resources (foam) or natural materials (hemp). (wood and veneers are left hanging in the air)	 Production of plants and precursors Pre-production of individual components in moulds, which can then be taken over by the company itself	 Transport & Logistics Lorries, ships, cargo planes and freight trains are used to transport the resources to suitable production sites
---	--	---

Stage 2: Own Activity

 Research, technology, engineering Focus on renewable raw materials, bio-based prepreps and the reduction of complex work processes, use of thermoplastic materials in the cabin	 Production Cross-linking by autoclave or pressing with 35% recycled material, with regard to REACH, especially strontium chromate and octylphenol
 Surface treatment Grinding and alternative resins to make processes easier and redundant	 Aftermarket: Repair Service network for maintenance and repair as well as retrofits, general overhaul of components for the interior. If required: on-site maintenance

Stage 3: Downstream

 Reprocessing, recycling, disposal Disassembly, inspection, reconditioning, recycling, disposal	 In Service Maintenance and servicing, spare parts management	 Transport & Logistics Export quota of 100%, packaging material that is either used entirely: without plastic (metal containers or wooden boxes) or CO ₂ -neutral (Green Logistics, air cushion film). Global delivery.
--	---	--

FACC sources a variety of premium materials and technologies that have been specially developed for the production of lightweight components for civil aviation. Some of the most important include the following:

Composites: These materials are critical to the lightweight construction of aircraft components and are procured from specialized suppliers that meet strict quality and sustainability standards.

Metals: High-quality metals (such as titanium, but also aluminum) required for the structural integrity of the components are also provided by selected suppliers.

Procurement at FACC is characterized by strict selection and evaluation procedures, which include regular audits and certifications of suppliers to foster continuous improvement and innovation.

FACC's outputs (parts manufactured in-house) include innovative aircraft components that provide specific benefits for various stakeholders:

Employees: FACC offers its staff an innovative working environment with a focus on sustainable practices and continuous training opportunities. This strengthens employee loyalty and creates a dedicated workforce.

Customers (aircraft manufacturers): FACC components improve the fuel efficiency and overall performance of aircraft. Lightweight components for wings, tail units and fuselages have been the company's core competence for more than 30 years. FACC manufactures various types of wing components that make an important contribution to both the structural robustness and aerodynamics of the respective aircraft. The portfolio ranges from simple sandwich panels and fuel-saving wingtips to first applications for technologically sophisticated primary structures (wing box prototypes).

Investors: FACC aims to offer attractive returns through its sustainable growth strategy and competitive strength. Investors benefit from the company's strong market position and continuous innovation.

Local communities: FACC contributes to the economic development of the regions in which it operates by creating jobs and stimulating technological advances. This strengthens the local economy, providing training and development opportunities.

Main features of the value creation chain:

Upstream: FACC works with a select group of raw material suppliers providing materials such as composites and metals. These suppliers are strategic partners bound by long-term contracts and regular quality controls. One example is FACC's cooperation with leading manufacturers of carbon fiber composites (e.g. Toray Industries, Inc. and Hexcel Corporation).

Downstream: FACC's main customers (AIRBUS, EMBRAER, BOEING, etc.) are leading aircraft manufacturers who install the company's components in their aircraft. In close cooperation with these customers, FACC develops tailor-made solutions that fulfill their specific requirements.

Position within the value chain: FACC occupies a central role in the value chain by acting as a link between raw material suppliers and aircraft manufacturers. Due to its expertise in the development and production of aircraft components, FACC makes a significant contribution to the innovative strength and efficiency of the entire value chain.

1.3.2. DR SBM-2 – Interests and views of stakeholders

(ESRS 2-SBM-2.45a) (ESRS 2-SBM-2.45a i):

The FACC stakeholder dialog

As this dialog is geared towards each stakeholder's specific communication and information needs, it does not follow a fixed schedule. To reach as many interested parties as possible and to receive valuable feedback, communication

Stakeholders	Topics	Forms of contact
Aviation authorities	<ul style="list-style-type: none"> - Flight safety - Aircraft noise reduction - Good governance - Training and development of employees 	<ul style="list-style-type: none"> - Direct communication regarding the approval as a manufacturer of aircraft components (POA/DOA/MOA) as well as the approval of FACC's management - Direct communication regarding specific issues such as flight permits (e.g. EHang) - Audits - Meetings
Other authorities (e.g. district authorities, embassies)	<ul style="list-style-type: none"> - Good governance - Stable and fair jobs 	<ul style="list-style-type: none"> - Residence permits and visa applications - Meetings - Audits
Works council		Regular and direct coordination
Customers	<ul style="list-style-type: none"> - Occupational health and safety - Flight safety - Aircraft fuel efficiency 	<ul style="list-style-type: none"> - Contracts covering all work packages - Regular meetings on site at customers' or FACC's premises - Visiting aviation fairs - Phone calls - FACC Service Portal
Investors	<ul style="list-style-type: none"> - Aircraft fuel efficiency - Training and development of employees - Good governance 	<ul style="list-style-type: none"> - Annual General Meeting - Conferences and roadshows - Investor talks - Trade fairs - Financial communication
Research and education institutes	<ul style="list-style-type: none"> - Occupational health and safety - Training and development of employees 	<ul style="list-style-type: none"> - Joint research projects - Supervision of graduate and doctoral students
Suppliers	<ul style="list-style-type: none"> - Flight safety - Stable and fair jobs - Social impacts along the supply chain 	<ul style="list-style-type: none"> - Supplier conferences - Aviation fairs - Regular meetings at suppliers' and FACC's premises to ensure contract performance - FACC Service Portal - WKÖ (Austrian Federal Economic Chamber) events - Supplier audits
Logistics partners and forwarders	<ul style="list-style-type: none"> - Social impacts along the supply chain - Customs clearance 	<ul style="list-style-type: none"> - Direct communication via Marketing and Customs department

Stakeholders	Topics	Forms of contact
(Potential) Employees	<ul style="list-style-type: none"> - Stable and fair jobs - Occupational health and safety - Training and development of employees 	<ul style="list-style-type: none"> - Emails - Executives - Works meetings - Management days - Employee app - Corporate magazine - Bulletin board - Advertising space (posters, lock screens, screens in production) - Social media - Summer party - Christmas party - Flight Club - Parties for people celebrating jubilees - FACC Leonardo - CEO breakfast
Municipalities	Waste and water consumption	<ul style="list-style-type: none"> - Emails - Meetings - Phone calls
Approving bodies / testing institutes	Special tests	Commissioning, e.g. by CoLT
Service providers	<ul style="list-style-type: none"> - Repair / maintenance activities at customers on behalf of FACC - Catering service for employees 	<ul style="list-style-type: none"> - Contracts - Meetings
Insurances	<ul style="list-style-type: none"> - Risk analyses - Compliance - Occupational safety 	<ul style="list-style-type: none"> - Contracts - Emails - Phone calls
Banks		<ul style="list-style-type: none"> - Contracts - Emails - Phone calls
Media		<ul style="list-style-type: none"> - Contracts - Emails - Phone calls

NGOs und Interessengruppen

- Zusammenarbeit und Dialoge mit Nichtregierungsorganisationen
- Teilnahme an Netzwerken und Konferenzen, via Präsenz, Email, Telefon

Key stakeholders of FACC:

Employees

- Views and interests: Employees value a safe and supportive working environment that offers opportunities for professional development and training. They seek fair working conditions, fair remuneration and an open corporate culture.
- FACC's engagement: FACC fosters a committed workforce through training programs, fair working practices and measures to increase employee satisfaction.

Customers (aircraft manufacturers and airlines)

- Views and interests: Customers expect high-quality, innovative and eco-friendly products that help improve fuel efficiency and reduce operating costs. They seek customized solutions that meet their specific requirements.
- FACC's engagement: FACC works closely with its customers to develop innovative aircraft components that meet the highest standards and offer sustainable benefits.

Suppliers

- Views and interests: Suppliers are interested in long-term partnerships and fair terms of business. They expect clear communication channels and support in complying with quality and sustainability standards.
- FACC's engagement: FACC fosters close relationships with its suppliers through regular audits, training, and support in the implementation of sustainability initiatives.

Investors

- Views and interests: Investors are looking for stable returns and a sustainable growth strategy. They are interested in the company's financial performance and its commitment to innovation and sustainability.
- FACC's engagement: Thanks to its strong market position and continuous innovation, FACC is able to offer attractive investment opportunities, and regularly informs investors about the company's performance.

Communities

- Views and interests: Communities expect FACC to contribute to the local economic development, create jobs and accept social responsibility. They attach importance to the support of local initiatives and the minimization of negative environmental impacts.

- FACC's engagement: FACC is committed to the communities in which it operates by creating jobs, encouraging technological advances and supporting local projects.

(ESRS 2-SBM-2.45a, i-iv): FACC actively engages with various stakeholder groups such as employees, customers, suppliers, investors, regulatory authorities, communities, and NGOs. This engagement ensures that the interests and views of stakeholders are taken into account in the company's decisions, and promotes transparency, trust and cooperation.

FACC's stakeholder engagement serves a variety of purposes and focuses on several key aspects:

Promoting transparency and trust

The aim is to strengthen trust between the company and its stakeholders through regular and open communication. Transparency ensures that all stakeholders have access to relevant information.

Improving the corporate strategy

By obtaining feedback and suggestions from stakeholders, FACC is able to continuously improve its business practices and strategic focus and adapt them to their needs and expectations.

Increasing customer satisfaction

Engaging with customers serves to increase their satisfaction by fulfilling, and gaining a better understanding of, their requirements and expectations.

Promoting an ethical and sustainable supply chain

In collaboration with its suppliers, FACC strives to support social and environmental standards along the supply chain and ensure that ethical business practices are adhered to.

Ensuring compliance and minimizing risks

An ongoing dialogue with regulatory authorities helps to comply with legal requirements and minimize risks by keeping FACC up to date on regulatory developments.

Supporting communities

By engaging with communities and NGOs, FACC aims to reinforce its social responsibility and make positive contributions to social and environmental developments.

Promoting innovation and employee satisfaction

By actively involving its employees, FACC aims to increase their satisfaction and motivation while encouraging innovative ideas and suggestions for improvement.

(ESRS 2-SBM-2.45a v): FACC incorporates the results of its stakeholder engagement through a structured process that includes the following steps:

- **Systematic analysis:** The results of its stakeholder engagement are systematically recorded and analyzed through surveys, interviews and workshops, and through intensive cooperation and exchange with relevant stakeholders, on a daily basis. This enables FACC to gain a comprehensive understanding of the expectations and concerns of its stakeholders.
- **Integration into strategic planning:** The recorded results are integrated into FACC's strategic planning. In this way, the identified topics and stakeholder priorities are included in the corporate strategy and taken into account when defining targets and measures.
- **Implementation of specific measures:** Based on the analysis, specific improvement measures are developed and implemented. These measures are designed to address the needs and expectations of stakeholders and improve the company's performance in relevant areas.
- **Transparent communication:** The results are disclosed in FACC's annual non-financial report.

With this process, FACC ensures that the results of its stakeholder engagement are used effectively to strengthen the corporate strategy and improve stakeholder relations.

(ESRS 2-SBM-2.45b) (ESRS 2-SBM-2.45c) (ESRS 2-SBM-2.45c i-iii): Extended disclosure on the link between feedback and actions

By analyzing the following stakeholders and topics, FACC aims to better understand the interests and viewpoints related to its strategy and business model:

Employees

Feedback: Employees expressed a desire for better further training opportunities and a stronger focus on job security.

Measures

- Opening of the FACC Training Center with in-house training programs focusing on technical and social skills.
- Improvement of occupational safety policies and implementation of regular external audits for ISO 45001 at FACC.

Customers

Feedback: Customers emphasized the importance of technological innovations and consistent product quality.

Measures

- Investments in R&D for new materials and manufacturing technologies (such as thermoplastics).
- Regular external audits on our ISO 9110 and ISO 9100, etc.

Suppliers

Feedback: Suppliers stressed the need for transparent communication and timely payments.

Measures

- Supplier portal for the improved traceability of payments and communication processes.
- Introduction of long-term contracts with selected suppliers to foster stable partnerships.

Investors

Feedback: Investors demand greater transparency with regard to the sustainability strategy and the financial impacts of long-term investments.

Measures

- FACC's annual non-financial statement, which provides a detailed account of progress made towards ESG (Environmental, Social, Governance) targets.
- Development of a long-term growth plan that integrates sustainability as a core element.

Communities

Feedback: Communities emphasize the importance of local support and eco-friendly production practices.

Measures

- Initiating local projects that promote educational initiatives or charitable programs (FACC scholarship).
- Reducing the carbon footprint by investing in renewable energies and energy-efficient production processes.

(ESRS 2-SBM-2.45c) (ESRS 2-SBM-2.45c i): FACC has made strategic adjustments to take due account of the interests and views of its stakeholders.

Employees: Introduction of an improved further training program and initiatives to promote job security.

Customers: Further investments in research and development to increase product quality and innovative capacity.

Suppliers: Implementation of a supplier management system that fosters fair business terms and sustainable practices.

Investors: Strengthening non-financial reporting and transparency measures.

Communities: Strengthening social and environmental initiatives to better support the local community.

(ESRS 2-SBM-2.45c ii): Planned steps and time frame:

Short term (Financial year 2026): Introduction and implementation of new further training programs for FACC employees; strengthening research and development activities to be able to address customer requirements with regard to the circular economy.

Medium term (3-5 years): Expanding the scope of social and environmental initiatives to international locations; improving supplier management systems.

Long term: Continuous adaptation of strategies based on ongoing stakeholder feedback and regulatory changes.

(ESRS 2-SBM-2.45c iii): Impact on the relationship with stakeholders:

Positive influence: The planned and implemented steps are expected to further strengthen the trust and satisfaction of stakeholders and lead to closer ties between FACC and its stakeholders.

Stakeholder feedback: Regular dialog with stakeholders will be maintained in order to review the effectiveness of the measures and make adjustments where necessary.

(ESRS 2-SBM-2.45d): At FACC, the Supervisory Board, Management Board and top management are regularly informed (at least once a year) about the views and interests of affected stakeholders with regard to the company's impacts on sustainability.

This is achieved through:

- Stakeholder surveys and feedback rounds: The views of FACC's stakeholders on the company's sustainability-related activities are collected through an ongoing exchange of information. These feedback loops include employees, suppliers, customers and communities etc. at the company's sites and are compiled at regular intervals by the CSR department.
- Reporting to the committees: The results of the stakeholder surveys along with other findings on stakeholder interests are presented to top management once a year, and to the CSO via the CSR Steering Committee.
- Dialogue with experts and external consulting: If necessary, external experts are consulted to analyze specific stakeholder concerns in the area of sustainability.

(S1-SBM 2.12): FACC views its workforce as a key stakeholder and acknowledges that integrating their interests and rights is essential for the company's long-term success and sustainability. FACC has implemented several measures to ensure that the voices of its employees are heard and their interests taken into due consideration:

Regular employee surveys and feedback meetings

Comprehensive surveys are conducted at FACC to identify the opinions, needs and concerns of employees (employee appraisals, etc.). These include questions on working conditions, health and safety aspects, equal opportunities and the general working environment.

Integrating the results into strategy development

The results of the employee appraisals are systematically evaluated and directly incorporated into FACC's strategic planning processes. Strict health and safety guidelines were thus created on the basis of this feedback and supported by training programs. As a result, FACC has held ISO 45001 certification at its Austrian sites for a number of years.

Measures to improve employee well-being and satisfaction:

In response to the feedback from its workforce, FACC has introduced measures such as flexible working time models, health promotion programs and initiatives for a better work-life balance.

Respect for human rights:

Respect for the human rights of its employees is firmly anchored in FACC's corporate culture. The company is committed to fully protecting human rights by offering transparent and fair working conditions as well as protective measures against discrimination and harassment (for further details, please refer to the FACC Code of Conduct).

Direct involvement in decision-making processes:

The concerns of employees are always given due consideration in important decision-making processes. For example, employee representatives (such as the works council) are involved in the development and implementation of measures affecting the workforce.

(S2-SBM 2.9): FACC has extensively analyzed and evaluated the interests, views and rights of employees within its value chain (value chain workers) to ensure that its strategy and business model adequately address these aspects.

FACC not only defines its own corporate values (e.g. by means of the Code of Conduct), but also communicates these values to the supply chain (via the Supplier Code of Conduct). Regular visits to suppliers as well as desktop audits and surveys are designed to ensure that these values are upheld.

Integration into the strategy and business model:

FACC has implemented several initiatives directly resulting from the outcomes of these engagements:

- Respect for human rights: Strict compliance with, and monitoring of, standards in accordance with international labor law regulations (e.g. ILO conventions).
- Code of Conduct: Introduction of a comprehensive set of rules of conduct obliging all partners in the value chain to comply with social and human rights standards.
- Audit processes: Regular audits to ensure compliance with these standards as well as immediate action in the event of deviations.
- Introduction and adaptation of FACC's C.O.M.P.E.T.E. supplier evaluation model.

FACC's C.O.M.P.E.T.E. system comprises methods and tools for the continuous monitoring and evaluation of supplier performance indicators and also includes the validation of sustainable practices at suppliers (environmental, social and economic practices).

1.3.3. DR SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and the business model

(ESRS 2-SBM-3.48a-h): Based on the double materiality assessment (DMA), FACC has identified material impacts, risks and opportunities (IROs) in the areas of climate change, pollution, resource use and circular economy, own workforce, workers in the value chain, as well as governance. For better clarity, these IROs are presented in aggregated thematic groups. The detailed and topic-specific disclosures on the individual IROs, including concrete measures, indicators and targets, are provided in the corresponding thematic ESRS standards (E1, E2, E5, S1, S2 and G1). All IROs analysed in the DMA and reported within the topic-specific disclosures have short-, medium- and long-term effects on the company.

In the environmental domain, regulatory requirements relating to climate protection, energy efficiency, emissions, waste and chemicals management have both current and future effects on production processes, investment decisions and operating costs. At the same time, opportunities arise from efficiency gains, material savings and technological innovation. In the short term, compliance with regulatory requirements and associated operational effects are the primary focus, while medium-term benefits may include efficiency improvements and cost structure stabilisation. In the long term, investments in environmentally friendly technologies and resource-efficient processes support the safeguarding of competitiveness. The material environmental IROs result primarily from FACC's own business activities, especially energy- and material-intensive production, and partially from the upstream value chain. Environmental aspects are being gradually integrated into operational steering processes, investment decisions and site development. The development of structured concepts—such as a climate strategy, a transition plan and circular economy approaches—is planned and will complement the strategic orientation in the medium term.

In the social domain, safe working conditions, the availability of qualified employees and responsible supply chains influence product quality, delivery capability and FACC's reputation. Key risks exist particularly in connection with workforce availability and potential breaches of social standards in the supply chain. These issues affect operational performance in the short to medium term and have long-term strategic relevance with regard to stable supply chains, employer attractiveness and reputation. The social IROs relate both to FACC's own workforce and to workers along the value chain. They are embedded in the HR strategy and supplier management and are addressed through policies, audits, training and continuous improvement processes. The specific implementation details are outlined in the thematic standards ESRS S1 and ESRS S2.

A functioning system of corporate governance is an essential prerequisite for regulatory compliance, stable customer relationships and long-term programme contracts in the aerospace industry. Governance-related IROs primarily affect compliance assurance in the short term and are of central importance for the company's strategic and financial stability in the medium to long term. Governance structures, compliance systems and risk management processes form the framework for managing all identified IROs and are an integral part of the corporate strategy. Detailed disclosures are provided in thematic standard ESRS G1.

As of the reporting date, the identified material risks and opportunities do not lead to immediate, clearly quantifiable adjustments to assets or liabilities recognised in the financial statements. Nevertheless, medium- and long-term financial effects are expected, in particular due to investments in energy efficiency, environmental and compliance measures, as well as expenditures for securing skilled labour and stabilising the supply chain. These effects may influence FACC's cost structure, investment decisions and long-term profitability. Further quantification will take place as strategic development progresses and integration into corporate planning advances.

Planned investments primarily relate to production infrastructure, efficiency measures and organisational development, and are implemented within the existing financing framework. The resilience of the business model is supported by compliance systems and the enterprise risk management framework. The qualitative assessment considers short-, medium- and long-term time horizons; a specific resilience analysis from a CSR perspective is currently being developed. No new material IROs were identified compared with the previous year. The existing IROs were confirmed and further specified. The identified material IROs are fully covered by the relevant thematic ESRS standards; additional entity-specific disclosures are currently not required.

1.4. Impact, risk, and opportunity management

1.4.1. DR IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

(ESRS 2-IRO-1.53a-h): All items proposed by the ESRS were assessed through individual analyses at the lowest level of granularity (IROs). For most environmental issues, differentiated assessments were carried out along the value chain: own operations / upstream / downstream activities. Where such data is available and sufficiently accurate, a quantitative assessment was systematically preferred to a qualitative assessment. The assessment was documented.

Impact materiality (actual or potential impacts on people and the environment):

The company assessed the actual or potential impacts of its activities on the environment and people - e.g. employees, end users and local communities. The assessment was done taking into account the severity (scope, reach, remediability - for negative impacts) and the likelihood of such impacts using predefined assessment grids. The materiality threshold was set taking into account the associated "severity vs. likelihood" combinations that were considered relevant to reflect materiality and support issue prioritization. For issues concerning potential impacts on people, a high severity rating outweighed a low probability rating. All company activities and locations were considered in this analysis, with a focus on the manufacture of aircraft components. The entire value chain (as known and estimable to FACC) was considered, again focusing on impacts related to the production of aircraft components, as this generates over 90% of the Group's revenue. This analysis was also based on an understanding of the company's own operations, supply chain or other business relationships, as the existence and severity of potential or actual adverse impacts are influenced by various factors, such as: the nature of the industry, products/services, operations and their associated inherent risks; the country and the operational context, taking into account, for example, publicly available statistics and indices or the existence of related environmental or social legislation or relevant voluntary standards and associated thresholds or other relevant scientific information sources (e.g. planetary boundaries, "environmental pressure atlas"...). Valuation Values have been supported by quantified data wherever possible, using a variety of information sources. This includes internal information such as:

- Life cycle analysis, information from thematic experts, related internal performance indicators (past or ongoing impacts)
- Results of third-party due diligence, internal control reports or information collected during visits to supplier sites (see C.O.M.P.E.T.E. system, which is discussed in more detail in later chapters)
- Elements from findings and alerts from, for example, desktop supplier sustainability maturity assessments, on-site assessments (including social assessments) or from the complaint mechanism (see also C.O.M.P.E.T.E. system)
- Inputs received through stakeholder engagement (see SBM-2)
- as well as external information such as thematic and sectoral benchmarks or public reports and regulatory thresholds

The assessment of impact materiality was also supported by engagement with stakeholders, in line with the overall approach to stakeholder engagement presented in the dedicated disclosure requirement. This includes direct consultation with internal and external experts, information gathered from stakeholders through ongoing stakeholder engagement, and input from affected stakeholders or their relevant representatives (e.g., employees through surveys, social dialogue content, customer feedback...). The consideration of regulatory thresholds or thematic standards or reference frameworks was also seen as a representation of the interests of NGOs.

Impacts on the company or financial materiality:

The potential impacts of sustainability issues on the company's financial performance were assessed by establishing a monetary threshold. This threshold serves as a benchmark to determine the financial relevance of the identified sustainability issues. Additionally, equivalent qualitative impact types were considered to obtain a comprehensive picture of the potential financial impacts. This assessment was conducted in close collaboration with the risk manager to ensure that both financial and non-financial risks and opportunities are adequately considered. The monetary threshold was set to reflect the potential financial impacts on revenue, operating costs, and other relevant financial metrics of the company.

The examination of the company's business and operational model dependencies with each subtopic, supported by exchanges with thematic experts, aided the aforementioned screening. The double materiality assessment was formally presented to and approved by the executive committee and the board of directors.

The double materiality assessment is intended to support the prioritization of work by internal control in the future by providing clear criteria and thresholds for assessing financial and non-financial risks and opportunities. This assessment helps internal control identify the key areas that need to be monitored and managed to achieve the company's strategic goals. By focusing on the material topics, internal control can then efficiently allocate its resources and ensure that the greatest risks and opportunities are adequately addressed. This leads to targeted monitoring and adjustment of internal processes to ensure the long-term sustainability and competitiveness of the company. We are still at the beginning of this process.

Sustainability risks and opportunities are currently not yet integrated into the ERM system and processes, including their identification, assessment, and management. In the future, they are intended to become part of the company's risk profile.

Impacts are covered by the company's due diligence processes (e.g., C.O.M.P.E.T.E., audits, risk mapping of suppliers, etc.), as may be presented in the relevant disclosure requirements. Particularly for the topics ESRS E1-E5, such due diligence processes still need to be established. In 2024, FACC conducted its double materiality assessment for the first time. In the future, the methodology will be refined to further align it with CSRD requirements. As recommended in the non-binding implementation guidelines for materiality assessment, the company intends to confirm or review (and update) its material topics annually, taking into account whether significant changes have occurred in the organizational and operational structure of the company, whether external factors have arisen during the reporting year, and/or whether significant new information has been received, as the company progresses in its understanding of topics and their impacts, risks, and opportunities. Depending on the significance of these events and developments, the company would either review the existing DMA or conduct a full DMA to ensure that the material sustainability topics are reported appropriately. The review process for the 2025 financial year did not reveal any need for adjustments. The review will be conducted again for the 2026 financial year.

Description of the connections between impacts and dependencies with risks and opportunities:

FACC systematically identifies the significant impacts of its business activities and the associated dependencies by conducting a Double Materiality Analysis (DMA). This analysis helps assess the potential risks and opportunities by considering the likelihood and severity of impacts.

Although the insights from the DMA are currently not fully integrated into strategic planning, they serve as a valuable foundation for future strategic decisions. FACC is working to gradually incorporate these insights into its strategic planning to proactively respond to challenges and seize opportunities. Continuous monitor-

ing of the identified impacts and dependencies will enable the company to adjust its strategy as needed and achieve its sustainability goals.

(ESRS 2-IRO-1.53c.i): FACC systematically considers the interrelationships between identified impacts and dependencies, as well as the resulting risks and opportunities, within the double materiality assessment. Negative or positive impacts, as well as operational and structural dependencies, are assessed with regard to potential financial or strategic risks and opportunities.

Environmental aspects such as energy and resource use or the handling of hazardous substances are linked to regulatory, cost-related, and reputational risks, while opportunities arising from efficiency improvements, innovation, or enhanced standards are identified.

Social impacts related to working conditions, safety, and qualification are evaluated in terms of risks to performance capability, delivery reliability, and reputation, as well as opportunities for securing skilled labor and establishing stable supply chains.

Dependencies on supply chains, regulatory compliance, and governance structures are also taken into account in order to consistently identify risks (e.g., supply disruptions, compliance violations) and opportunities (e.g., resilient business relationships).

(E1-IRO-1.20) (E1-IRO-1.20a): Climate change impacts and GHG emissions

FACC has not yet conducted a climate risk analysis; however, it is planned to be included in the 2026 report.

(E2-IRO-1.11): Pollution

FACC structured process for identifying material impacts, risks, and opportunities has determined that environmental pollution is currently immaterial, except for Substances of Concern (SoC) or Substances of Very High Concern (SVHC). This assessment is based on the Double Materiality Analysis (DMA) and the involvement of relevant stakeholders.

(E2-IRO-1.11a): Screening and identification of actual and potential pollution-related impacts, risks and opportunities

FACC is able to conduct a detailed screening to identify potential pollution issues through the help of an integrated environmental management system, specifically the ISO 14001 Environmental Management System (EMS). Key performance indicators such as waste generation, and pollutant chemicals are systematically tracked, especially the ones associated with the use of REACH-relevant substances.

On the other hand, in order to make sure the involvement and engagement of FACC with stakeholders (including employees, suppliers, authorities, and customers) during the pollution issues identification, audits, feedback meetings and assessments are carried out annually (e.g. ECCOS22 audits, customer audits or assessment portals such as Ecovadis / CDP) to ensure the accuracy of data, compliance with environmental standards.

Methods and tools

The screening follows a systematic process for recording and classifying all substances used in operations. Each substance is thoroughly examined for its potential environmental impact, with a particular focus on its classification as a substance of concern or a substance of very high concern under REACH. The process follows a clearly structured methodology consisting of three phases: Data Collection, compliance assurance, and Results. Utilizing the Environmental, Health and Safety (EHS) tool, along with specialized chemical databases tailored to REACH regulations, FACC conducts a de-tailed analysis of the environmental impact of substances throughout its entire supply chain.

Data collection

FACC conducts an annual desktop assessment of its supply chain to evaluate the environmental practices and compliance of its suppliers. The CRIF (Centrale Rischi Finanziari) assessment includes checking suppliers' compliance with sustainability in terms of water and carbon footprint calculations, good practices with waste management and ensuring that all the necessary certifications such as ISO 14001 for environmental management are up to date. At the end, the results are evaluated and shared with suppliers to identify potential improvements in relation to relevant environmental pollution in their value chain. The aim is to ensure the compliance with the minimum standards.

In terms of customer data, while specific procedures for collecting customer-related environmental data are not official public documented yet, FACC integrates quarterly customer feedback and environmental performance considerations into the topic of environmental pollution in our supply chain.

(E2-IRO-1.11b): To finish with the data collection, FACC has not yet conducted any consultations with affected communities to identify and assess potential pollution-related impacts. In the future, however, we plan to conduct such consultations in order to better understand potential environmental impacts with affected communities and to take appropriate measures based on this.

Compliance assurance

FACC ensures compliance with the REACH Regulation (EC 1907/2006) through a structured and analytical approach. This is achieved by implementing supplier audits and assessments, where compliance with REACH requirements, including documentation checks for restricted substances, is verified. Additionally, monitoring mechanisms are in place to track that suppliers provide Safety

Data Sheets (SDS) and other necessary documentation for chemicals used. These measures ensure that suppliers and customers within the supply chain meet legal obligations and mitigate the risk of non-compliance and potential legal penalties.

FACC systematically documents and categorizes all substances and chemicals used in its operations based on their potential environmental impact, ensuring compliance with REACH regulations. This process involves data collection through specialized chemical databases and EHS tools designed for REACH compliance. These tools enable the analytical assessment of environmental risks across the supply chain, ensuring that substances of concern are identified and managed effectively.

Furthermore, FACC's integrated Environmental Management System (EMS) supports the proactive identification of restricted chemicals, allowing the company to mitigate environmental risks at an early stage. By combining data-driven evaluations with regulatory compliance measures, FACC ensures a structured and effective methodology for reducing its environmental impact.

Results of the screening

In its own operations, the use and potential release of these substances pose environmental and regulatory risks, which are managed through continuous monitoring and classification. Within the own operations and the supply chain, the presence and handling of such substances contribute to negative environmental risks, requiring closer and constant cooperation with suppliers to ensure compliance and eliminate non-approved materials.

Identified material impacts, risks and opportunities through Double Materiality Analysis

The identification of sites impacted by pollution, including those handling Substances of Concern (SoC) or Substances of Very High Concern (SVHC), is based on the DMA analysis and internal consultations, which took into account factors such as production volumes, workforce size, and the scale of operations. Sites like Austria and Croatia with significant production activities or those handling or storing hazardous substances have been flagged as material to pollution. Facilities in Canada and the USA were determined to pose a lower impact on pollution due to limited chemical usage and their more narrowly focused operations. In contrast, locations in China, India, and Slovakia, where no production takes place, have been categorized as immaterial. The table below outlines the list of sites where pollution is considered a material issue.

Facility	Activity	Materiality	Justification
Austria	Headquarters and primary production facilities; innovation and R&D center.	Only SVHC / SoC	Due to the high production volume and the associated environmental impact potential, these sites are subject to stringent performance monitoring.
Croatia	Component manufacturing and assembly operations.	Limited SVHC / SoC - immaterial	Due to the smaller scale in comparison to the Austrian facility, the usage is minimal.
Canada	Engineering support and materials supply chain activities.	Limited SVHC / SoC - immaterial	With a smaller workforce and limited chemical handling, this site exhibits a lower environmental risk profile.
USA	Customer support, component delivery and after-sales services.	Limited SVHC / SoC - immaterial	Operations in the USA are largely service-oriented, involving minimal chemical use—primarily confined to minor repairs.
China	Partnership	Immaterial	No production and very few employees in the offices
India	Engineering design support and supplier partnerships.	Immaterial	No production and very few employees in the offices
Slovakia	Logistics and distribution center.	Immaterial	No production and very few employees in the offices

Own Operations:

Production and manufacturing: The use and potential release of substances of concern during manufacturing processes, leading to environmental contamination and health risks.

Waste management and disposal: Improper disposal or inefficient waste management of substances of high concern during manufacturing processes can result in pollution.

Value Chain:

R&D and material development: The handling and release of potentially harmful substances during material development, particularly in new product innovation and testing, contributing to pollution and environmental risks.

(E5-IRO 1.11): (E5-IRO 1.11a): The undertaking shall describe the process to identify material impacts, risks and opportunities related to resource use and circular economy

FACC has not conducted a dedicated LEAP analysis but has instead assessed resource use and circular economy aspects as part of the Due Diligence Materiality Assessment (DMA). This evaluation considered potential and actual impacts, risks, and opportunities within FACC's own operations and across its upstream and downstream value chain.

(E5-IRO 1.11b): Additionally, FACC has not conducted consultations, in particular with affected communities.

1.4.2. DR IRO-2 – Disclosure Requirements included in the ESRS and covered by the company's sustainability statements

(ESRS 2-IRO-2.54–59): FACC's sustainability statement was prepared based on the results of the double materiality assessment in accordance with ESRS 1, Chapter 3, and was aligned using an ESRS datapoint list analysis. The company reports those ESRS Disclosure Requirements that relate to impacts, risks and opportunities identified as material. Topics assessed as non-material as part of the materiality assessment are therefore not reported or only briefly explained.

FACC provides a complete overview of the applied Disclosure Requirements, including the respective references within the sustainability report. This overview also includes Disclosure Requirements from other EU legal acts as listed in Annex B of the ESRS. For topics assessed as non-material, this is explicitly indicated in the overview ("Not material").

The topic area "Climate Change" (ESRS E1) was assessed as material within the materiality assessment. Accordingly, selected Disclosure Requirements related to climate protection, energy consumption and emissions are reported aligned with ESRS E1. A detailed climate risk assessment has not yet been conducted but is planned for 2026. Reporting will be further developed based on the results of this assessment.

The topics Water and Marine Resources (ESRS E3), Biodiversity and Ecosystems (ESRS E4), Affected Communities (ESRS S3), and Consumers and End-users (ESRS S4) were assessed as non-material. This assessment is based on the nature of FACC's business activities, the industrial context, as well as the results of the double materiality assessment. For these reasons, the corresponding Disclosure Requirements are not reported.

The determination of material information was carried out in accordance with the criteria set out in ESRS 1, Section 3.2. For impacts, severity and likelihood of occurrence were particularly considered; for financial risks and opportunities, potential effects on the company's financial position, performance and cash flows, as well as its strategic position, were taken into account. Defined thresholds and assessment grids were used to support prioritization and ensure a consistent selection of topics.

Content Index – Overview of the Disclosure Requirements

ESRS	Disclosure Requirements aligned with ESRS E1	Reported	Material (yes/no)	Reference
ESRS2	BP-1 Basis for Preparation	Yes	Yes	ESRS 2, Chap. 1.1
ESRS2	BP-2 Specific Circumstances	Yes	Yes	ESRS 2, Chap. 1.1.2
ESRS2	GOV-1 Role of Governance Bodies	Yes	Yes	ESRS 2, Chap. 1.2.1
ESRS2	GOV-2 Sustainability Information	Yes	Yes	ESRS 2, Chap. 1.2.2
ESRS2	GOV-3 Incentive Schemes	Yes	Yes	ESRS 2, Chap. 1.2.3
ESRS2	GOV-4 Due Diligence Statement	Yes	Yes	ESRS 2, Chap. 1.2.4
ESRS2	GOV-5 Risk Management & Internal Control System	Yes	Yes	ESRS 2, Chap. 1.2.5
ESRS3	SBM-1 Business Model & Value Chain	Yes	Yes	ESRS 2, Chap. 1.3.1
ESRS2	SBM-2 Stakeholders	Yes	Yes	ESRS 2, Chap. 1.3.2
ESRS2	SBM-3 Strategy & Sustainability	Yes	Yes	ESRS 2, Chap. 1.3
ESRS2	IRO-1 Identification & Assessment of IROs	Yes	Yes	ESRS 2, Chap. 1.4.1
ESRS2	IRO-2 Management of IROs	Yes	Yes	ESRS 2, Chap. 1.4.1
ESRS E1	Climate Change	Partially	Yes	Chap. 2.2
ESRS E2	Pollution	Yes	Yes	Chap. 2.3
ESRS E3	Water & Marine Resources	Not material	No	ESRS 2 – 4.1
ESRS E4	Biodiversity & Ecosystems	Not material	No	ESRS 2 – 4.1
ESRS E5	Resource Use & Circular Economy	Yes	Yes	Chap. 2.4
ESRS S1	Own Workforce	Yes	Yes	Chap. 3.1
ESRS S2	Workers in the Value Chain	Yes	Yes	Chap. 3.2
ESRS S3	Affected Communities	Not material	No	ESRS 2 – 4.1
ESRS S4	Consumers & End Users	Not material	No	ESRS 2 – 4.1
ESRS G1	Business Conduct & Governance	Yes	Yes	Chap. 4
EU Legal Data Points (Appendix B ESRS 2 §56)				
EU Legal Source	Data Point	Status	Yes	Reference
CSRD / NaDiVeG	Non-Financial Statement	Yes	Yes	Complete Sustainability Report
EU Taxonomy	Revenue, CapEx, OpEx	Yes	Yes	Chap. 2.1
Supply Chain Due Diligence	Social Minimum Safeguards	Yes	Yes	ESRS S2
Water / Biodiversity	-	Not material	No	ESRS 2 – 4.1

2. ENVIRONMENTAL INFORMATION

2.1. Taxonomy Disclosures

Disclosures according to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

The EU Taxonomy Regulation is a key component of the European Commission's action plan to redirect capital flows towards a more sustainable economy. It represents an important step towards achieving climate neutrality by 2050 in line with the EU climate objectives and provides a classification system for environmentally sustainable economic activities.

In the following section, we present the proportion of our Group revenue, capital expenditure (CapEx), and operating expenditure (OpEx) for the 2025 reporting period with regard to FACC's taxonomy eligibility and taxonomy alignment.

Changes resulting from Delegated Regulation (EU) 2026/73

As part of the Omnibus Simplification Package for sustainability reporting, a new delegated act was published in January 2026, which notably simplifies reporting under the EU Taxonomy. It introduced, among other things, substantial relief measures such as the implementation of materiality thresholds for companies and is already applicable to financial years ending on 31 December 2025. FACC makes use of these simplifications and reports in this chapter in accordance with the new disclosure requirements. Accordingly, a portion of CapEx falling below the materiality threshold was not assessed for eligibility and alignment. Further details are described in the section below. In addition, the new taxonomy reporting templates are applied for the first time this year.

Taxonomy eligibility

With the publication of Environmental Objectives 3–6 and the extension of activities under Environmental Objectives 1–2 (climate change mitigation and climate change adaptation) in 2023, FACC's business model has largely been covered under Activity CCM 3.21.

CCM 3.21 – Manufacture of aircraft under the environmental objective of climate change mitigation includes, according to its description, the manufacture, repair, maintenance, overhaul, retrofitting, design, repurposing and upgrading of aircraft, as well as aircraft components and equipment.

FACC's business model includes, among other activities, the development and production of key components such as control surfaces, engine nacelles, and cabin interiors for commercial aircraft and business jets and therefore falls under this activity. Accordingly, 96.05 percent (2024: 97.3%) of FACC's revenue can be reported as taxonomy-eligible.

In addition to its core activity, FACC made minor investments in cross-cutting activities in 2025. To ensure transparency of the business model in the reporting templates, these investments were classified as immaterial, as they do not constitute material economic activities. In the 2025 reporting year, 7.91 percent of CapEx was therefore classified as immaterial, and the reporting template includes only the capital expenditure incurred and reve-

nue generated from the core activity CCM 3.21. The activities classified as immaterial relate to the transport sector as well as construction and real estate.

Taxonomy alignment

For the 2025 financial year, FACC is not able to report any taxonomy-aligned shares, as no complete climate risk analysis in accordance with Annex A has yet been conducted. Annex A sets out the technical screening criteria for CCM 3.21 under the "do no significant harm" (DNSH) principle with regard to the environmental objective of climate change adaptation.

Without compliance with these criteria, taxonomy alignment cannot be achieved. Consequently, no aligned revenue, aligned CapEx, or aligned OpEx can currently be reported.

Key Performance Indicators

Double counting across multiple environmental objectives was avoided, as the taxonomy-eligible activity CCM 3.21 is exclusively assigned to the environmental objective of climate change mitigation.

Revenue

The revenue denominator in accordance with the EU Taxonomy corresponds to revenue as reported in the consolidated statement of profit and loss (please see Note 8 of the Consolidated Financial Statements) and amounts to a total of EUR thousand 984,405 (2024: EUR thousand 884,523).

Of this amount, 96.05 percent (2024: 97.3%) is attributable to the core activity CCM 3.21 – Manufacture of aircraft. FACC currently does not generate any other taxonomy-eligible revenue. The remaining 3.95 percent is therefore reported as non-taxonomy-eligible revenue. For the reasons stated above, no taxonomy-aligned revenue is currently reported.

CapEx

Capital expenditure in accordance with the EU Taxonomy includes additions to property, plant and equipment and intangible assets during the 2025 financial year before depreciation and revaluations. These correspond to the additions disclosed in Notes 20 and 21 of the consolidated financial statements in the amount of EUR thousand 24,031 (2024: EUR thousand 34,242).

Of this amount, 79.17 percent (2024: 76.2%) is classified as taxonomy-eligible. The vast majority relates to Activity CCM 3.21 – Manufacture of aircraft. Due to FACC's business model, only a small proportion relates to economic activities other than CCM 3.21 and was therefore classified as immaterial.

No taxonomy-aligned CapEx can currently be reported.

OpEx

Operating expenditure under the EU Taxonomy at FACC includes direct, non-capitalised costs relating to research and development, building renovation measures, short-term leases, maintenance, and repair.

According to this definition, only 1.67 percent of total operating expenses under the consolidated financial statements qualifies for inclusion in the OpEx denominator under the EU Taxonomy. For this reason, the OpEx KPI is considered not material to FACC's business model and will no longer be reported as of the 2025 financial year.

Accordingly, the taxonomy-eligible and taxonomy-aligned share of OpEx is reported as 0.0 percent for 2025. The OpEx denominator amounted to EUR thousand 15,929 in the 2025 financial year. The prior-year figure (EUR thousand 22,218) was adjusted in line with the refined definition of the OpEx denominator.

Changes compared to the previous year

Due to the publication of Delegated Regulation (EU) 2026/73, the new taxonomy reporting templates are applied this year, and the materiality threshold has been used.

In this context, the materiality of the OpEx KPI was reassessed this year and classified as not material. In accordance with Section 1.1.3.1 of Delegated Regulation (EU) 2021/2178, only the denominator is therefore reported, and it is assumed that the entire OpEx is not taxonomy-eligible.

In addition, the definition of the OpEx denominator was refined, resulting in a reduction compared to the previous year. No further methodological changes were made.

2.2. ESRS E1: Climate change

2.2.1. DR E1-1 – Transition plan for climate change mitigation

(E1-1.17)

As of the reporting date, FACC did not yet have a transition plan in place within the meaning of ESRS E1-1.17. The collection of Scope 1 and Scope 2 emissions was carried out for the first time in the 2025 financial year based on an ESRS-compliant methodology.

Against this background, FACC will develop a structured decarbonization transition plan over the next one to two financial years. This plan will be based on a consistent and reliable emissions data foundation, as well as on targets derived from that data. Once finalized, the transition plan will be disclosed in accordance with ESRS requirements.

The phased timeline is necessary to ensure that the transition planning is methodologically consistent, realistic, and suitable for management purposes, based on emissions data that has been collected in compliance with ESRS for the first time. The development of a transition plan requires stable base years, robust target pathways, and an assessment of technical and economic feasibility, all of which can only be validly determined once the new data foundation is available.

2.2.2. DR E1-2 – Policies related to climate change mitigation and adaptation

Impact, risk and opportunity management (IROs)

Negative Impacts

Climate Change Mitigation

FACC operations: Greenhouse gas (GHG) emissions from production, and internal transportation due to the use of fossil fuels.

Value chain: GHG emissions generated in the extraction of raw materials, transportation, and processing of composite materials, as well as logistics-related emissions.

Opportunities

Energy

FACC operations: Cost savings through improved energy efficiency, renewable energy use.

(E1-2.24): Policies

FACC is fundamentally committed to supporting sustainability objectives and is working on further developing a structured approach to addressing climate-related risks and opportunities, improving energy efficiency, and promoting renewable energy. The initial ESRS-compliant collection of Scope 1 and Scope 2 emissions in the 2025 financial year constitutes a key foundation in this regard.

Against this background, FACC plans to develop and implement a company-wide, consistent climate strategy within the next two financial years. This strategy will be based on a robust data foundation and will be integrated into existing management and investment processes.

The phased timeline is necessary to ensure that the climate strategy is built on a stable, ESRS-compliant emissions data basis, as well as on aligned targets and measures. An earlier implementation would lack sufficient relevance for management control, investment decisions, and long-term effectiveness due to the change in methodology and the absence of reliable time series data.

2.2.3. DR E1-3 – Actions and resources in relation to climate change policies

(E1-3.28): Decarbonization lever - Evaluation of solutions for a sustainable energy supply

The action described below is intended to support FACC in achieving its goal of operating production in Austria based entirely on renewable energy for Scope 1 and Scope 2 emissions by 2040.

To achieve this target, a central challenge must be addressed: the consumption of natural gas and natural-gas-based heat, which currently accounts for 75 percent of FACC Austria's total Scope 1 and market-based Scope 2 GHG emissions. In 2024, FACC began exploring alternative solutions and initiated the first phase of a project aimed at establishing a sustainable energy supply. This project examines the development of a new industrial area within the Sustainable Industrial Park (SIP) in Reichersberg, with the objective of creating an efficient and environmentally friendly energy system by leveraging regional synergies. It involves strategic collaboration with local partners to utilize existing resources and infrastructure, maximize the efficiency of the energy system, and create a more sustainable energy network.

A further key focus of this initiative is integrating the existing infrastructure of the St. Martin Geothermal Energy Plant (GTS), which already supplies district heating to parts of St. Martin im Innkreis, Ort im Innkreis and the neighboring FACC Operations GmbH.

Energy data from project partners was collected and analyzed in order to assess requirements and identify opportunities for optimization. Various technologies and energy carriers supporting efficient and renewable energy supply were evaluated in the course of a region-specific SWOT analysis.

In addition, four future energy supply scenarios were developed: a benchmark scenario reflecting the current situation, a business-as-usual scenario, a cooperation scenario emphasizing collaboration among project partners, and an industrial-urban symbiosis scenario exploring broader regional cooperation.

The analyses and scenario evaluations provided the project partners WIPA Reichersberg, Geothermie St. Martin, and FACC with valuable insights into the energy potential and challenges facing them. Significant synergies can be achieved through the use of renewable energy sources such as PV systems, heat pumps, and waste heat integration. However, key challenges remain, particularly that of managing peak loads for the GTS network, which could be addressed through heat pumps and an additional heating plant.

FACC's high-temperature energy needs could be met with green electricity, green gas, or high-temperature heat pumps. Therefore, while the joint biomass utilization scenario presents a promising option for peak load coverage and backup supply, it necessitates a thorough assessment of load profile adaptations and careful consideration of its emission implications to ensure alignment with sustainability goals.

To advance these efforts, a dedicated project team oversees the tracking of the carbon-neutral production initiatives, with a project management team actively committed to ensuring their effectiveness. Furthermore, a detailed techno-economic feasibility study will be evaluated within the next three years to refine load profile analyses, explore synergies, and assess available waste heat sources and opportunities for regional cooperation. These steps are crucial for boosting energy efficiency and ensuring a sustainable, cost-effective energy supply.

Scope of key actions

The transition involves shifting process heat to one or more potential combinations: biomass, PV systems, heat pumps and waste heat integration.

The focus will be on regions with high operational impact, particularly those areas served by the St. Martin Geothermal Energy Plant (GTS) and neighboring regions such as St. Martin i.I. and Ort i.I., where FACC Operations GmbH is located. In the coming years, the possibilities for implementing similar sustainable energy solutions at FACC's other international facilities will also be evaluated.

The initial research phase began in 2024, and the techno-economic feasibility study is expected to be evaluated within the next three years. The finalization of the project will require additional input for further definition.

OPEX and CAPEX - Decarbonization lever

The action plan for the Sustainable Industrial Park (SIP) in Reichersberg outlines future investments in renewable energy technologies, with varying capital expenditures (CAPEX) and operating costs (OPEX). As these cost factors are still under evaluation, no definitive statements can be made at this stage; however, they will be considered in future CSRD reports.

Preliminary assessments indicate that technologies such as geothermal and biomass require significant initial investments but present lower operating costs, making them viable long-term solutions. Similarly, solar thermal systems involve high CAPEX but benefit from low OPEX over time.

Future investments in heat pumps, electric boilers, hydrogen, and biomethane will require careful evaluation of both upfront and on-going costs. While hydrogen and biomethane currently have high operating expenses due to their procurement, advances in technology and market developments may lead to cost reductions over time.

2.2.4. DR E1-4 – Targets related to climate change mitigation and adaptation

(E1-4.32): Disclosure of GHG emission reduction targets

FACC has set a clear greenhouse gas (GHG) emissions reduction target in order to manage material climate-related impacts, risks, and opportunities, aiming to become 100% reliant on renewable energy in its production facilities in Austria by 2040. This means that the Group intends to switch from the fossil heating used in these facilities to renewable sources. In the case of electricity, FACC already sources 100% green electricity in Austria.

To mitigate climate change, FACC focuses on reducing GHG emissions from its own operations, including production, by managing key actions focused on sustainable energy supply solutions (reference to E1-3).

Relationship of the target to policy objectives: FACC has not yet adopted a policy (see E1-2). Consequently, the relationship has not yet been made.

FACC reliant on a production focus on renewable energy across our Scope 1 and Scope 2 by 2040, through a series of key actions that prioritize emission reductions without relying entirely on offsets. Specifically, our renewable energy target addresses emissions related to energy consumption, including electricity and heating. This target currently applies to all FACC locations in Austria, with plans to expand our other facilities within the next 1-2 years.¹

¹ It does not count in fuels consumed in our vehicle fleet and fugitive emissions.

Defined Target Level: Primary metric is achieving a production that is fully reliant on renewable energy by 2040.

Scope of target: FACC calculates its Scope 1 and Scope 2 GHG emissions in accordance with the GHG Protocol, utilizing market- and location-based emissions.

The primary metric will likely remain the achievement of production operations in Austria that are fully powered by renewable energy by 2040.

The greenhouse gas inventory will include all entities over which FACC exercises financial control, i.e., entities that are fully consolidated in accordance with IFRS group accounting principles. For these entities, greenhouse gas emissions will be accounted for at 100%.

As in the past, target setting will follow a bottom-up approach. This means that the CSR department will develop initial considerations for specific targets and share them with the Facility Manager in order to prepare concrete target proposals for submission to the Executive Board. Upon approval by the Executive Board, the targets will then be presented to the Supervisory Board for final endorsement.

Baseline value and base year: FACC has established 2015 as the base year for measuring progress toward its target, ensuring that the baseline value of 27,305 tons of CO₂ emissions is a representative absolute measure.

Performance in Relation to Defined Targets

Energy Monitoring:

FACC monitors energy consumption on a monthly basis across all Austrian production facilities in order to identify inefficiencies and

areas for improvement. For other production sites, energy consumption is recorded annually. KPI monitoring enables the implementation of immediate corrective actions and ensures that energy use is optimized in line with greenhouse gas reduction targets.

Reviews:

Progress toward the target of reducing greenhouse gas emissions from production is assessed on an annual basis. These reviews analyze energy consumption and CO₂e emissions, with a particular focus on key measures such as the implementation of new heating and electricity technologies. In addition, progress is tracked through energy-saving and emission-reduction KPIs as part of management reviews and during the preparation of the annual non-financial report.

Performance Analysis:

FACC's progress toward achieving production powered by renewable energy is measured by comparing the annual MWh consumed from renewable sources with the MWh consumed from non-renewable sources.

2.2.5. DR E1-5 – Energy consumption and mix

Scope

The analysis of total energy consumption across all FACC sites shows that approximately 90% of the Group's energy consumption is attributable to Austria, while 7% relates to Croatia. The remaining share is distributed across other locations and contributes only marginally to total energy consumption and the overall greenhouse gas inventory.

Nevertheless, in order to meet reporting and materiality requirements and to ensure full transparency, all facilities were fully included in the final results.

Energy consumption data was obtained directly from energy suppliers and managed either through internal systems or based on annual utility statements, thereby ensuring a high level of accuracy.

The reported data covers the entire Group. No additional external validation by third parties has been performed.

Energy consumption (MWh)

	2025
Total energy consumption	104,622.2
Total energy consumption from non-renewable sources (fossil sources)	48,546.18
Share of non-renewable sources (fossil sources) in total energy consumption	46%
Fuel consumed from coal and coal products	0
Fuel consumed from crude oil and petroleum products	1,930.4
Fuel consumed from natural gas	37,312.7
Other fossil sources	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	9,303.1
Total energy consumption from nuclear sources	10.7
Share of consumption from nuclear sources in total energy consumption	0%
Total energy consumption from renewable sources	56,065.3
Share of renewable sources in total energy consumption	54%
Fuel consumption from renewable sources	74.4
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	54,300.2
Consumption of self-generated non-fuel renewable energy	1,690.7

All electricity consumption for which no specific product mix or supplier mix could be identified was classified and reported as fossil-based energy.

For "Kantine Fischer," no data for the 2025 financial year was available as of the reporting date. Therefore, the consumption data from January to December 2024 was used as a basis. A 3% increase was subsequently assumed.

Net revenue	Unit	2025
Net revenue from activities in sectors with a high climate impact is used to calculate energy intensity.	Mio. EUR	984.4
Total energy consumption from activities in high climate impact sectors	MWh	104,622.2
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors	MWh/MEUR	106.3
Net revenue (others)	Mio. EUR	-
Revenue (Financial Statements)	Mio. EUR	984,4

The net revenues used for the calculation of GHG intensity are derived from the Group income statement.

(E1-5.AR 36): Energy Intensity

FACC has followed the prescribed methodology for disclosing energy intensity (total energy consumption per net revenue) in sectors with high climate impact, in accordance with the requirements set out in the ESRS. This process involves calculating energy intensity by dividing the total energy consumption from activities in sectors with high climate impact (measured in MWh) by the net revenue from those activities (measured in monetary units, i.e., euros). The net revenues used, and the results of these calculations are listed at the end of the two tables above. No significant assumptions were necessary, as the data is sourced directly from our integrated SAP system.

(E1-5.42): Specific high climate impact sectors used to determine energy intensity in accordance with paragraph 40

The classification of high climate impact sectors used to determine energy intensity follows the NACE categories C30.3.0 – Manufacture of aircraft and spacecraft and related machinery, and C33.1.6 – Repair and maintenance of aircraft and spacecraft, as outlined in Sections A to H and Section L of the NACE classification, and as defined in Commission Delegated Regulation (EU) 2022/1288. Consequently, FACC's total revenue, as reported in the consolidated financial statements, is considered equivalent to the net revenue from activities in high climate impact sectors.

2.2.6. Gross Scope 1, Scope 2 and Total Greenhouse Gas Emissions (Scope 1 and Scope 2)

Greenhouse gases – Greenhouse gas emissions (tCO₂e)

	2025
Direct gross GHG emissions (Scope 1)	8,186.0
Indirect gross GHG emissions (Scope 2)	-
Location-based indirect GHG emissions (Scope 2)	8,013.0
Market-based indirect GHG emissions (Scope 2)	2,103.0
Total location-based GHG emissions	16,198.9
Total market-based GHG emissions	10,289.2
Total location-based GHG emissions per net revenue [t CO ₂ e / MEUR]	16.5
Total market-based GHG emissions per net revenue [t CO ₂ e / MEUR]	10.5

Biogenic – Not within the Scope 1 CO₂ emissions boundary (tCO₂e): 35

Biogenic – Not within the Scope 2 CO₂ emissions boundary (tCO₂e): 435

Scope 3 values are excluded from the table above. These were not yet included in the calculation for the 2025 financial year.

2.3. ESRS E2: Pollution**2.3.1. DR E2-1 – Strategy regarding pollution**

Our approach to determining our material impacts, risks and opportunities is described in General Disclosures. Concerns about air, water and soil pollution are limited due to the nature of FACC's operations, which are focused on aerospace manufacturing. The company operates in controlled production environments, such as

cleanrooms and specialized facilities that minimize the direct release of pollutants. Furthermore, FACC enforces strict waste management practices, ensuring responsible disposal of both hazardous and non-hazardous waste. The company also adheres to chemical management protocols, effectively preventing harmful substances from contaminating the environment.

Impact, risk, and opportunity management

At FACC, managing the impact of hazardous substances is crucial both to operations and within the supply chain. The use and potential release of such substances during manufacturing can pose environmental and health risks, requiring strict compliance with regulations to avoid legal consequences and ensure employee safety. Similarly, substances within the supply chain can contribute to environmental risks, including pollution. FACC must closely monitor its supply chain to mitigate these risks and create opportunities for improved sustainability and regulatory compliance.

Negative impacts:

- FACC operations: the use and potential release of substances of concern during manufacturing processes.
- Value chain: the presence and handling of such substances within the supply chain, contributing to environmental risks.

Policies

FACC has not yet established a formal policy explicitly addressing pollution prevention and the management of substances of (particularly high) concern. This is primarily due to the fact that the materiality assessment was conducted in accordance with ESRS requirements for the first time in this reporting year. As a result, FACC's policies are still in the process of aligning sustainability initiatives with operational priorities and evolving regulatory frameworks. Nevertheless, the company acknowledges the significance of mitigating pollution risks, particularly those associated with hazardous materials used in its operations and remains committed to integrating these considerations into its sustainability strategy.

Over the next two to three years, FACC will carry out a thorough analysis to determine whether a dedicated environmental concept is required or whether this topic should be integrated into FACC's existing environmental frameworks. If necessary, this analysis will define clear targets for minimizing the use of substances of very high concern and ensuring full compliance with environmental regulations. The goal is to align with relevant third-party standards and integrate these measures into FACC's operations and supply chain.

2.3.2. DR E2-2 – Actions and resources related to pollution

(E2-2.18) (ESRS 2.62): Description of pollution-related action plans and resources. FACC will implement key actions in the next two to three years.

2.3.3. DR E2-3 – Targets related to pollution

(E2-3.20) (ESRS 2.81): FACC has not yet established specific pollution-related targets but recognizes the importance of addressing pollution, especially substances of concern and substances of

particularly high concern as part of its broader sustainability strategy. The company is currently assessing its environmental impact and developing a comprehensive approach to pollution management. Over the next two to three years, FACC plans to define measurable targets that will align with regulatory requirements and industry best practices. This process involves evaluating emissions data, identifying key areas for improvement, and integrating pollution reduction initiatives into existing sustainability goals.

2.3.4. DR E2-5 – Substances of concern and substances of very high concern

Scope

FACC systematically monitors the production, use, distribution, and procurement of substances of very high concern (SVHC) at its facilities in Austria, where high production volumes and potential environmental impacts require close oversight. Currently, such products are used only at the production sites in Austria, Croatia, and Canada.

The definition of SOC and SVHC used by FACC this year is still derived from Articles 13 and 14 of the REACH Regulation, and not from the ESRS. Accordingly, FACC identifies SVHCs, but not SOCs as defined under the ESRS disclosure requirements. As a result, SOCs will not be reported this year. The reason is the underlying ESRS definition of SOC.

Methodology and Assumptions

This process includes a detailed analysis of all relevant categories, each of which is examined thoroughly. Relevant assumptions were made to ensure that all substances used or generated in FACC's business activities are captured, including those contained in raw materials, semi-finished products, and final products.

Total Quantity of SVHC Used or Generated in Production or Procurement

To calculate the total quantity of substances of very high concern (SVHC), purchasing data from SAP for the year 2025 were used. These data reflect the amount of materials procured. In accordance with the REACH Regulation, materials classified as SVHC are typically selected and managed in the EHS tool. Therefore, the material numbers were accurately identified and subsequently filtered based on their classification from the list of purchased goods.

SVHCs were reported from the perspective of the total material and not on the basis of pure substances. The reported weights therefore represent the sum of the total weight of the materials and not the sum of the pure substances, which are estimated to

account for only around 10–15% of the material. Precise calculation methodologies for this will be possible in the 2026 financial year.

The total weight of the procured materials containing these substances was calculated by multiplying the purchased quantity by the respective density, resulting in a total amount in kilograms, which was then converted into tonnes. This calculation was carried out without assumptions to ensure data accuracy.

Leaving the Facilities as Emissions

The emission calculations are based on the assumption that approximately 75–90% of the material remains in the component, while the remaining 10–25% does not reach the customer, is disposed of as waste, and therefore contributes to emissions.

Assessments and estimates were carried out by reviewing existing product group classifications, considering process flows, and creating estimates based on these data.

A key component of the calculation was estimating how much of each material remains in the final product and how much is lost during processing. Some emissions—such as paint overspray—had to be estimated due to the absence of data. These assumptions for each material type are listed in the table below. The data has not yet been verified by a third party.

Leaving the Facilities as Products

For products leaving the facilities, no assumptions were made. Instead, SAP outbound data were used. These data were filtered to determine how many products contain substances classified as SVHC. The total quantity of these substances leaving the plant as products is directly based on the amount of processed materials, so no estimations are required.

A "product" within the meaning of the data point is defined as a material that enters goods receipt and is shipped to customers in the same container. A "part of a product" refers to substances included in FACC components (e.g., sealants, pigments, fillers, paints, adhesives, etc.).

Leaving the Facilities as Part of Products

This category is similar to the calculation of "leaving the facilities as emissions." Approximately 10–25% of the material remains as waste at the company and contributes to emissions. The remaining 75–90% of the weight is incorporated into the products and leaves the facilities as part of the final product. The calculation is based on estimates and the tonnage of substances leaving the company as part of products, as shown in the following table.

Leaving the Facilities as Services

FACC does not offer services involving SVHC; therefore, this category is not applicable.

Material	Processes Material Consumption	% of Material remaining in final product	% Net material used does not leave facilities/waste
PREPREG	Roll start/end, edge trimming, nesting waste, selvage, milling allowances (e.g., cutouts)	75-80%	20-25%
ADH-FILM	Roll start/end, edge trimming, nesting waste, selvage, milling allowances (e.g., cutouts); no required orientation, thus reduced waste	85-90%	10-15%
PAINT	Buffer material when mixing, adjusting spray equipment, spray mist, additional material for sanding between layers, rework, expired material batches, filler materials (e.g., Pin Hole Filler)	80-85%	15-20%
SEALANT	Cartridge sizes, adjusting hand tools, excess material during sealing, squeeze-out when joining parts, expired material batches	85-90%	10-15%
ADHESIVES	Buffer material when mixing, excess material during lamination, repairs, squeeze-out during bonding, expired batches	85%	15%
POTTING	Buffer materials, excess for filling cores, material from repairs and expired batches	80%	20%
GEKOM & ROHMAT	Used as production aids (except in rare cases, they do not remain in the final product)	N/A	N/A

The data collection and reporting process were further supported by cross-departmental collaboration. FACC worked closely with various departments, including environmental, Logistics, Purchasing, Production, Health & Safety, and Design.

Final reporting and verification

Once all the data was gathered, the findings were consolidated into the final table below. Throughout its production processes, FACC ensures that nearly all SVHC are collected, monitored, and managed as waste in strict compliance with both internal quality and safety standards (FQS). These standards, accessible to our workforce via the corporate network, outline precise handling, storage, and disposal measures to minimize environmental and human health risks while ensuring full regulatory compliance. While the internal methodology provides a structured approach, the data has not yet been verified by a third party.

Table: Substances of (very high) concern

	2025 (t)
Total quantity of substances of very high concern generated or used in production or procured	27.4
Total quantity of substances of very high concern leaving the facility as emissions, as products, or as part of products or services	27.4
Leaving the facilities as emissions	5.2
Leaving the facilities as products	1.2
Leaving the facilities as part of products	21.0
Leaving the facilities as services	0.0

2.4. ESRS E5: Resource use and circular economy

The future of mobility heavily depends on innovative technologies and materials. FACC is pushing beyond previous limits by developing and utilizing new materials, driving forward more sustainable, cost-effective, and efficient production technologies for fiber-reinforced components.

To enable the integration of aircraft parts into a circular economy, FACC is conducting intensive research on novel processing and

manufacturing techniques. While FACC's products are designed for long-term use, the goal is to recycle them or their components at the end of their lifecycle. In recent years, the company has increasingly focused on developing and implementing circular economy principles to promote sustainability in aviation.

2.4.1. DR E5-1 – Policies related to resource use and circular economy

Impacts, risks and opportunities (IROs)

FACC has identified the following impacts, risks and opportunities (IROs) within the ESRS E5 standard to manage resource inflows, outflows, and waste management within the company.

Negative Impacts

- Resource Inflows - Value Chain: The supply chain also experiences significant raw material demand, contributing to resource depletion across the production lifecycle.
- Resource Inflows - Own Operations: FACC's manufacturing processes require substantial raw material consumption, leading to high resource utilization.

Risks

- Waste Management - Own Operations: The generation of hazardous waste can lead to increased disposal costs and regulatory compliance expenses.

(E5-1.14): Policies

(ESRS 2.62): FACC has not yet developed specific, standalone circular-economy concepts addressing the material impacts, risks, and opportunities identified in the double materiality assessment. FACC will actively work on developing a more structured and comprehensive circular-economy approach, which is planned to be formalized within the next one to two years.

2.4.2. DR E5-2 – Actions and resources related to resource use and circular economy

(E5-2.19 a-b): Description of the key actions

Key action 1 - Transition to thermoplastics

The transition to thermoplastics enables a 2% product recycling rate until the next products generation. In this key action, efforts in the evaluation of thermoplastics efficiency such as closed-loop recycling, the advancement of lightweight materials, and the exploration of new technologies play a crucial role in this process. This initiative also addresses the two negative impacts identified in the materiality assessment. Specifically, FACC aims to mitigate high resource utilization in the value chain and own operations by reducing raw material consumption in its manufacturing processes.²

² Closed-loop processes in thermoplastics involve recycling and reusing production scrap or end-of-life components to reduce waste and reliance on virgin materials.

Key action 2 - Product separability and embedding circularity

FACC is advancing the development of modular products to enhance end-of-life reuse. By implementing design-for-recycling, this key action also contributes to the 2% recycling target for thermoplastics, as the focus on recyclable thermoplastics and modular designs will increase the overall separability of the components.

This key action addresses a risk identified in the materiality assessment by reducing hazardous waste generation through im-

proved product separability. By enhancing end-of-life reuse and optimizing component design, FACC minimizes material waste, lowers disposal costs, and mitigates regulatory compliance expenses related to hazardous waste management.

Key action 3 - Training on circularity awareness

This action is a key action based on a voluntary basis since FACC is dedicated to advancing employee awareness and training to meet its sustainability objectives. The completion of the e-learning platform for employee training by 2026 will be pivotal to reduce the risk of not educating staff correctly on the significance of recycling best practices and upcoming regulations, ensuring they are well-prepared for future requirements. Ultimately, trainings should be starting latest in 2027 and be ongoing since the platform should be reachable for the own workforce.

All three of the above-mentioned measures do not require any significant CAPEX or OPEX.

The table below outlines the scope of key actions, including their coverage in terms of activities, upstream and downstream value chain impact, geographic reach, the stakeholder groups affected and the progress of the actions.

Key actions	Time horizons	Value chain scope	Geographical scope	Affected stakeholders groups	Progress
Transition to thermoplastics	Next-products generation ³	Own operations: FACC Group	Austria, Croatia	Own workforce	FACC is still in the research phase, evaluating the viability and efficiency of thermoplastics. As a result, the necessary technologies and modular product designs remain still integral to the research process.
		Upstream	Global	Suppliers	
		Downstream	Global customer markets	Customers	
Product separability and embedding circularity	Next-products generation ³	Own operations: FACC Group	Global	Own workforce	
		Downstream	Global customer markets	Customers, Waste management partners	
Training on circularity awareness	2027 - ongoing	Own operations: FACC Group	Global	Own workforce	FACC is still finalizing the e-learning platform for employee training to be completed by 2026.

³ FACC is still unable to define a specific year for the launch of the next-products generation, as the development of thermoplastics and their integration into aircraft design is still under research.

2.4.3. DR E5-3 – Targets related to resource use and circular economy

FACC's goal is to establish lightweight thermoplastic composites as a sustainable business standard, move them from pre-development to serial production for next-products generation, and achieve a 2% recycling rate through closed-loop processes that support circular economy principles.

By reducing raw material consumption in the value chain and own operations, this target helps minimize resource inflows (negative impact). Additionally, achieving a 2% recycling rate through closed-loop processes supports circular economy principles, helping to minimize hazardous waste generation and associated disposal costs and regulatory risks.⁴

⁴ Closed-loop processes in thermoplastics involve recycling and reusing production scrap or end-of-life components to reduce waste and reliance on virgin materials.

(E5-3.23) Relationship of the goal to the policy: FACC has not yet adopted a policy (see (E5-1.14)), for that reason, the relationship has not been made yet.

Defined target level

- Transfer thermoplastic composites to serial production to the next-products generation.
- Achieving a recycling rate of 2 percent through closed-loop processes.⁵

⁵ A quantification in absolute terms is currently not possible in this case, as the development of thermoplastics and their integration into aircraft manufacturing are still in the research and development phase.

Scope of target: The scope of FACC's target mainly focuses on its own activities, aiming to achieve a 2% recycling rate through closed-loop processes within its production operations. This target applies to FACC's manufacturing facilities and is integrated into its broader waste management and resource efficiency strategies. While the primary focus is on internal processes, upstream suppliers and downstream customers are also considered where applicable, particularly in material selection and end-of-life recycling initiatives. Geographically, the target encompasses all FACC production sites, ensuring a standardized approach to circular economy principles. By using lightweight, recyclable materials, FACC seeks to lower production costs, reduce transportation emissions due to decreased material weight, and meet growing customer demand for eco-friendly solutions.

Baseline value: 0%, Base year: 2024, Target period: next product generation.

Period and milestones: FACC aims to transfer thermoplastic composites from pre-development to serial production as part of the next-product generation.³ Within this long-term target, the company also targets achieving a 2% recycling rate through closed-loop processes, supporting circular economy principles.

Description of methodologies and significant assumptions used to define target: To establish a clear basis for the 2% recycling target, FACC expects a scrap rate of approximately 5% once thermoplastic processes are fully implemented. However, not all waste can be recycled due to limitations such as lightning protection, paints, or impurities on components, which reduce the share of recyclable material. Additionally, not all polymers are suitable for recycling. The assumed recycling potential is based on current technological capabilities, material availability, and processing feasibility, which can contribute to achieving the feasible 2% target under the following conditions: First, securing the initial thermoplastic contract at FACC is essential to establish a consistent raw material flow. Second, material qualification for a press or injection molding material with recycled content is necessary, as this is not yet industry standard. Third, introducing recycled-based components into aircraft cabins requires ensuring that the material properties meet performance standards. Lastly, the business case must be viable, as processing recycled material incurs costs and is not financially neutral.

Scientific evidence

- C.O.M.P.A.S.S. Project: In collaboration with industry partners, FACC is researching the re-manufacturing of thermoplastic materials to produce high-quality second-life components. This project aims to enhance the sustainability of aerospace components by extending their lifecycle.
- STEP Project: The Stamp-Forming Engagement Project (STEP) aims to optimize product design and improve the quality of thermoplastic composite (TPC) components through advanced simulation and manufacturing processes. By introducing a computer-aided approach to predict surface deviations, as well as an innovative co-consolidation stamp-forming process, the project enables the efficient production of components with variable thickness in a single manufacturing step. These innovations promote sustainability in aerospace by supporting the use

of recyclable TPC materials, reducing component weight, energy consumption, and material waste, thereby contributing to the decarbonization of aircraft.

- The C.O.M.P.A.S.S. Project and STEP Initiative focus on exploring the potential of thermoplastic composites in aerospace manufacturing. While these projects aim to enhance sustainability and efficiency, they are not based on established scientific evidence but rather on a potential-driven approach. Their outcomes depend on ongoing research and industry collaboration, making them promising but not yet scientifically validated solutions.

Stakeholder involvement: For the target setting, only FACC's own workforce has been involved in the process. The internal R&D team played an important key role with its expertise.

Changes in targets and methodologies: No changes in targets have occurred. Methodologies are reviewed for accuracy and alignment with evolving scientific and regulatory standards.

Performance against targets

- Monitoring: We will track the volume of thermoplastic composite products produced and the recycling rates achieved, using integrated environmental management systems to collect and analyze data.
- Review: Annual reviews assess progress against sustainability targets, with adjustments made based on performance trends and operational developments.
- Performance Analysis: While specific performance data is not detailed yet because the project is still in the research phase, the commitment to research and development is evidenced by FACC participation in projects like C.O.M.P.A.S.S. and STEP.

(E5-3.24/a): The target specifically addresses the enhancement of circular product design, focusing on the integration of lightweight thermoplastic composites as a sustainable standard in FACC's production process. Due to their inherent recyclability and potential for reprocessing, thermoplastic composites are a key material for enabling closed-loop manufacturing systems. Transitioning these materials from the pre-development phase into serial production for next-products generation represents a significant step toward implementing circular economy principles. By introducing closed material cycles that achieve a recycling rate of 2 %, FACC reduces waste, reuses valuable materials, and decreases its dependency on primary resources. This aligns with FACC's environmental policy objective to minimize environmental impact by limiting the consumption of natural resources and reducing industrial waste.

(E5-3.25): Target relates to the hierarchy layer "recycle".

(E5-3.26): In setting its environmental targets, the company does not currently rely on ecological thresholds or science-based target-setting approaches, such as the guidelines of the Science-Based Targets Initiative for Nature (SBTN). A potential future alignment with science-based target-setting approaches will be considered as part of the ongoing development of the sustainability management system.

(E5-3.27): All of the mentioned targets related to resource use, waste and circular economy are set on voluntary basis.

2.4.4. DR E5-4 – Ressourcenzuflüsse

2.4.5. The data on resource inflows were not yet available at the time of reporting and therefore could not be calculated. They will be collected in the next reporting cycle. The methodology and underlying assumptions will be transparently documented to ensure complete and consistent reporting in accordance with E5-4.DR E5-5 - Resource outflows

Product durability and reparability

One of the main focuses at FACC is producing lightweight components that enhance buy-to-fly ratios while ensuring durability and reparability. Most of its components are designed to last over 20 years, aligning with the typical service life of an aircraft. The after-sales activities include replacing spare parts and providing global maintenance, repair, and overhaul (MRO) services to support the longevity of its products. However, at present, there is no established rating system available to assess the reparability of the products, and recycling of these products is currently not possible due to material composition.

Recyclable content in products and packaging

Currently, FACC does not incorporate recycled content into its products. The percentage of recyclable content in its products and their packaging is therefore 0%. However, continuously its being explore future possibilities for integrating sustainable materials where feasible without compromising performance and safety standard.

Products pro segments and sales overview

In terms of products and materials sold, FACC focused on three key segments that significantly contribute to overall business performance. Data is presented based on the total number of series shipsets sold, as these represent the most impactful products in terms of production and market presence.

Each shipset comprises multiple components and materials, with complexity varying by segment. To provide a clearer and more accurate representation of sales data, reporting is structured around shipsets rather than individual parts or materials.

The breakdown of the three key segments is as follows:

Segment	Amount serie shipsets sold in 2025
Aerostructures	8,426 pieces
Engines & Nacelles	2,308 pieces
Cabin Interiors	3,053 pieces

Circular design and resource optimization

In recent years, FACC has been actively contributing to sustainable aviation through research aimed at reducing emissions in the next generation of aerospace products. As part of this commitment, FACC participated in the Wing of Tomorrow program—an ambitious research initiative focused on developing advanced wing technologies. Within this project, FACC supported delivering data to conduct lifecycle assessments and better understand the environmental impact of using lighter composite materials and a folding wingtip, which enhances aerodynamic efficiency and reduces fuel consumption.

In addition, FACC continuously optimizes materials from research and development (R&D) through to operational deployment and integrates circular economy principles into its production processes. A key focus is the ongoing optimization of the aileron—a movable flight control surface located on the wings that is responsible for controlling an aircraft's roll motion. Assessing the environmental impacts of different materials, such as thermosets and thermoplastics, through life cycle analyses helps to identify significant optimization potential. Furthermore, cabin interior products—such as overhead stowage compartments and cabin sidewalls—remain a critical segment for the development of alternative and more sustainable solutions.

Overall total weight of materials used

The total overall weight of materials used during the reporting period was not accurately determined as part of resource usage. As a result, the required calculation could not be conducted.

Waste

(E5-5.35): With regard to the nature of FACC's business, resource outflows primarily consist of composite materials, metals, packaging materials, and chemical waste such as solvents or paints. For this reason, FACC closely monitored its total waste generation in 2025, focusing on both hazardous and non-hazardous waste streams.

FACC continues to strive to optimize its waste management system, placing a strong emphasis on increasing recycling and recovery processes to reduce the proportion of waste destined for disposal.

(E5-5.37): Waste data

Waste	2025 (t)
Total hazardous waste	450.0
Hazardous waste diverted from disposal	392.1
Hazardous waste diverted from disposal due to preparation for reuse	0.0
Hazardous waste diverted from disposal due to recycling	1.3
Hazardous waste diverted from disposal due to other recovery operations	390.8
Hazardous waste directed to disposal by waste treatment type	57.9
Hazardous waste directed to disposal by incineration (thermal disposal)	0.0
Hazardous waste directed to disposal by landfilling	57.9
Hazardous waste directed to disposal by other disposal operations	0.0
Total Non-hazardous waste	3,164.9
Non-hazardous waste diverted from disposal	2,508.5
Non-hazardous waste diverted from disposal due to preparation for reuse	0.0
Non-hazardous waste diverted from disposal due to recycling	1,092.9
Non-hazardous waste diverted from disposal due to other recovery operations	1,415.5
Non-hazardous waste directed to disposal by waste treatment type	656.5
Non-hazardous waste directed to disposal by incineration	0.0
Non-hazardous waste directed to disposal by landfilling	656.5
Non-hazardous waste directed to disposal by other disposal operations	0.0
Total Waste generated	3,614.9
Total Non-recycled waste	2,520.7
Percentage of non-recycled waste	69.73
Total recycled waste	1,094.2
Percentage of recycled waste	30.27

(E5-5.40): Data Basis According to Legal Requirements

The collection of waste data at FACC AG is based on the Austrian Waste Management Act (§ 17 AWG), which requires waste producers, collectors, and processors to maintain continuous annual records of the type, quantity, origin, and destination of waste.

Data collection therefore relies primarily on verifiable documentation from external waste management companies, including:

- invoices
- consignment notes
- delivery notes

This approach ensures high data quality and full traceability. FACC generally uses only documented and verifiable quantities;

estimates are applied only where no measured primary data are available. Compliance with industry-specific standards is ensured within the framework of the applicable legal obligations.

For the Canadian site, hazardous waste was estimated proportionally based on the relationship between Canadian revenue and Austrian operational performance due to the absence of complete primary data.

Scope Waste – Estimation Methodology

For two international sites, no site-specific measured waste data were available for the 2025 reporting year. In accordance with ESRS E5 and the principle of best possible estimation, a benchmark-based extrapolation approach was applied.

The reference site was the office of the Slovak subsidiary (Bratislava), for which verified waste data for 2025 were available:

- 768 kg of non-hazardous residual/municipal waste

A specific waste-generation factor per employee was derived from this dataset.

Extrapolation Logic

Waste quantities for the affected locations were projected using the number of employees at each site. For 2025, this approach was applied only to India and China. This ensures a consistent, understandable, and reproducible estimation based on internal comparative data.

Included Waste Types

The estimate includes only non-hazardous waste types under ESRS E5:

- Mixed municipal waste / residual waste
- Packaging waste (e.g., cardboard, wooden pallets, plastics)
- Bulky waste
- Mixed construction and demolition waste
- Non-recycled or landfilled waste
- Office and general residual waste

Hazardous waste and special local waste streams are not included in this extrapolation model (except for the proportional estimate for Canada). No external third-party validation has been performed.

3. SOCIAL INFORMATION

3.1. ESRS S1: Own workforce

DR related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with the strategy and business model

(S1.SBM-3.10): FACC integrates social sustainability targets into its strategic planning by implementing initiatives aimed at promoting diversity, inclusion and fair working conditions. This includes professional training and development programs (such as the “Expert Career”) aimed at continuously improving employees’ skills and expanding their career opportunities.

The company attaches great importance to creating a safe and healthy working environment, supported by the implementation of health and safety guidelines based on international standards such as ISO 45001. Measures include regular training and safety drills.

In addition, FACC promotes an open corporate culture that encourages staff to give feedback and actively participate in shaping the working environment. This is supported by regular employee surveys and feedback loops to ensure that the needs and expectations of the workforce are taken into account. The same applies to our employee representatives (works council).

(S1-SBM 3.13a) (S1-SBM 3.13b): FACC identifies and assesses its material impacts, risks and opportunities with regard to its workforce in accordance with the guidelines set out in ESRS 2 IRO-1. The following aspects of FACC’s strategic business model have a significant impact on its employees while contributing to the adaptation of the corporate strategy and business models.

i. Origin and connection to the strategy and business models:

Own company (short-, medium- and long-term): Job security and quality at the FACC locations

FACC places great importance on stable, safe, and high-quality workplaces. This strategy ensures greater efficiency and employee motivation. Safety standards and continuous improvement programs are intended to ensure that every working environment remains free from accidents and injuries. The annual ISO 45001 certification, conducted externally at the Austrian sites (excluding the Vienna office), further underscores FACC’s commitment.

Own company (short-, medium- and long-term): Working conditions promoting greater flexibility and a better work-life balance:

The strategy FACC is pursuing to promote flexible working models allows employees to achieve a better work-life balance. This includes (where feasible) options to work from home, flexible working hours and part-time models. These measures improve job satisfaction and long-term employee retention.

Own company (short-, medium- and long-term): Reconciling family and career

FACC offers its employees programs and support services to achieve a better work-life balance. These include more flexible working hours, special working time arrangements for parents, and company childcare. These initiatives aim to increase the company’s attractiveness as a family-friendly employer, thereby retaining talented staff in the long term.

ii. Informing and contributing to the adaptation of the strategy and business model:

Own company (short-, medium- and long-term): Increasing employee satisfaction through inclusion and diversity

The promotion of a DIE culture (Diversity, Inclusion & Equality) is an essential component of FACC’s corporate strategy. Initiatives such as mentoring programs, the International Café (a language exchange program for employees) and the FACC women’s network Wings for Women contribute to creating an inclusive working environment. These measures are continuously evaluated and adapted in order to maximize their effectiveness.

Own company (short-, medium- and long-term): Making workplaces more attractive through equal opportunities, training and inclusion

Through targeted training programs and initiatives to promote equal opportunities and inclusion, FACC supports the skills development and career opportunities of its employees. These measures improve FACC’s competitiveness and help to attract and retain top talents.

Own company (short-, medium- and long-term): Equal treatment of men and women in the salary structure

A transparent pay structure based on equal treatment is a cornerstone of FACC’s company policy. Regular reviews of salary structures ensure that gender-specific income differences are eliminated. These efforts contribute to the creation of a fair and motivating working environment.

FACC analyzes and reports on the relationship between material opportunities and risks arising from the impacts and dependencies of its own staff and their relationship to the company’s strategy and business models.

Risks and opportunities arising from impacts and dependencies:

Risks (own company; short-, medium- and long-term):

- Cost increases due to higher-than-expected salary increases under collective bargaining agreements: Collectively agreed salary increases may lead to substantial cost increases, which could jeopardize the company's financial stability. FACC continuously analyzes and forecasts such risks to proactively develop cost control measures. This has been a major issue over the past two to three years, particularly in Central Europe.

Opportunities (own company; long-term):

- Lower staff turnover through flexible working hours and a healthy work-life balance. Flexible working models and measures to improve the work-life balance reduce the fluctuation rate and generate substantial cost savings when recruiting and training new staff.
- Lower staff turnover through fair remuneration. A fair and competitive remuneration structure strengthens employee loyalty and reduces staff turnover, thereby lowering recruitment costs in the long term.
- Lower staff turnover through training and development opportunities. FACC promotes the professional development of its employees by investing in training and further education programs, thereby increasing their satisfaction and loyalty and reducing staff turnover.
- Lower staff turnover through access to fair healthcare. Additional health benefits that go beyond legal requirements promote the well-being of employees and contribute to a reduction in staff turnover rates.
- Lower staff turnover through measures to combat violence and harassment in the workplace. Preventive measures and targeted support programs create a safe working environment that strengthens employee loyalty and reduces staff turnover.
- Lower staff turnover through a diverse management and workforce. A diverse workforce and management team fosters a more inclusive culture, which increases employee satisfaction and loyalty and reduces staff turnover costs.

Conclusion

FACC considers the impact on its workforce to be an important component of its strategic and operational planning. Through various methods and processes (such as workplace evaluations, employee surveys, audits, etc.), FACC aims to ensure that positive impacts—such as job security, work-life balance, and inclusion—are maximized while risks are minimized. At the same time, FACC efficiently leverages the opportunities arising from these measures to achieve sustainable success and strengthen its competitiveness.

(S1-SBM 3.14): All people in the company's own workforce who could be materially affected by the company are included in the scope of disclosure in accordance with ESRS 2.

(S1-SBM 3.14a): Types of employees and non-employees in the company's own workforce who could be significantly affected by the company's business activities include (but are not limited to):

- General employees
- Executive management: Full Executive Board etc.
- Engineering & technical staff: engineers, technicians, etc.
- Health, Safety and Environment (HSE): HSE managers, environmental scientists, etc.
- Project management: project managers, project coordinators, etc.
- Finance & accounting: financial analysts, accountants, etc.
- Human resources: HR managers, recruiters, etc.
- Information technology: IT specialists
- Supply chain and procurement: procurement and supply chain manager
- Sales & marketing: sales and marketing staff
- Legal & compliance: legal experts, compliance managers

Non-employee workers:

- Contractors
- Consultants: management and technical consultants, etc.
- Freelancers
- Vendors & suppliers: equipment providers, etc.
- Joint venture bodies: government inspectors, industry regulators, etc.
- Academia & research institutions: academic and research institutions
- Labor unions
- Insurance companies
- Investors & analysts: institutional investors, equity analysts, etc.
- Community & stakeholders: NGOs, local community representatives, etc.

These groups include both salaried employees and self-employed people as well as persons who are dispatched by third parties and are primarily involved in contract work.

(S1-SBM 3.14b): No material negative impacts were identified in the course of the DMA (Due Diligence Management Approach). This assessment is based on the results of the DMA, which is conducted on a regular basis to analyze potential risks and impacts on the workforce. As part of the DMA, extensive discussions were held with department heads and assessments were carried out, showing that FACC's existing measures and strategies are proving effective in minimizing negative effects on the workforce.

The DMA includes a systematic collection of data and feedback from employees as well as a review of working conditions and company practices. These processes have confirmed that FACC has not identified any material negative impacts on its workforce, which is attributable to the proactive measures mentioned and the continuous improvement of the working environment.

(S1-SBM 3.14c): Description of activities that produce significant positive effects:

1. Working conditions within the company providing employees with health security:

- Activities: Implementation of comprehensive health and safety programs, regular training and safety checks.
- Affected groups: Health, Safety and Environment (HSE), Engineering & Technical Staff, Contractors.

2. Working conditions within the company that lead to increased employee involvement and thus to greater job security:

- Activities: Introduction of employee participation programs and regular feedback sessions.
- Affected groups: Project Management, Human Resources, Executive Management.

3. Working conditions within the company that provide employees with greater flexibility:

- Introduction of flexible working time models and opportunities to work from home.
- Affected groups: Information Technology, Finance & Accounting, Sales & Marketing.

4. Working conditions within the company that make it easier for employees to reconcile their family and career:

- Activities: Providing childcare and flexible working hours.
- Groups affected: Human Resources, Executive Management, Engineering & Technical Staff.

5. Working conditions within the company that increase employee satisfaction:

- Activities: introduction of employee recognition programs and improving the working environment.

- Groups affected: all employee groups, in particular Sales & Marketing, Supply Chain and Procurement.

6. Working conditions within the company that improve health or safety at the workplace:

- Activities: regular health checks and safety inspections.
- Groups affected: health, Safety and Environment (HSE), Engineering & Technical Staff, Contractors.

7. Increasing the attractiveness of the workplace through equal opportunities, diversity, training and inclusion within the company:

- Activities: training courses on diversity and inclusion, promoting equal opportunities.
- Groups affected: Human Resources, Legal & Compliance, Executive Management.

8. Safeguarding the privacy of employees within the company by ensuring compliance with the GDPR:

- Activities: Implementation of data protection guidelines and regular training on the GDPR.
- Groups affected: Information Technology, Legal & Compliance, Human Resources.

(S1-SBM 3.14d) (S1-SBM 3.16): Examples of material risks:

Cost increases due to higher-than-expected collectively agreed salary increases

Collectively agreed salary increases that are higher than expected can significantly increase operating costs and affect the financial stability of the company. This risk affects, in particular, all employees in tariff-bound positions. To mitigate this risk, the company continuously monitors collective bargaining negotiations and plans appropriate budget reserves.

Specific examples of the proactive measures that FACC has developed to manage the risks of collectively agreed salary increases:

- Efficiency improvement programs: FACC has implemented programs to increase its operational efficiency in order to reduce costs and offset the effects of salary increases. These include process optimization in production and the use of automation technologies.

- Flexible working time models: By introducing flexible working time models, FACC is able to better respond to fluctuations in production and manage personnel costs more efficiently.
- Negotiations with suppliers: FACC conducts regular negotiations with its suppliers in order to obtain better conditions and thus partially offset the increase in personnel costs.
- Investments in further training: Through targeted investments in further education and training, FACC increases the productivity of its employees, which contributes to cutting costs in the long term.

Connection to the implemented DMA (Due Diligence Management Approach)

FACC integrates these measures into its Due Diligence Management Approach by continuously analyzing and evaluating risks arising from collectively agreed salary increases. The DMA comprises regular risk analyses to assess the financial impact of salary increases. The aforementioned measures are developed and implemented on the basis of these analyses in order to safeguard FACC's financial stability. The connection to the DMA is reflected in the systematic recording and assessment of risks and the proactive development of risk mitigation strategies.

Examples of material opportunities

Lower staff turnover (lower recruiting costs) by allowing for flexible working hours and a healthy work-life balance and promoting diversity:

The introduction of flexible working hours and the promotion of a healthy work-life balance and diversity can increase employee satisfaction and loyalty, particularly among parents and caregivers. This leads to lower staff turnover rates and reduces the cost of recruiting and training new employees. FACC therefore implements flexible working time models and actively promotes a diverse and inclusive corporate culture.

Lower staff turnover (decreasing recruiting costs) through appropriate and fair remuneration:

The introduction of flexible working hours and the promotion of a healthy work-life balance and diversity can increase employee satisfaction and loyalty, particularly among parents and caregivers. This leads to lower staff turnover rates and reduces the cost of recruiting and training new employees. FACC therefore implements flexible working time models and actively promotes a diverse and inclusive corporate culture.

Lower staff turnover (decreasing recruiting costs) through further education and training opportunities:

Investing in further education and training increases the skills and satisfaction of employees, which leads to lower staff turnover, particularly among younger employees and those in technical positions. FACC offers extensive training and further education opportunities to promote the professional development of its employees and strengthen their loyalty to the company.

Lower staff turnover (decreasing recruiting costs) by providing access to adequate health care (beyond legal requirements):

Additional healthcare benefits improve the health and well-being of the workforce, which strengthens loyalty to the company and reduces staff turnover, especially among employees in physically demanding roles. In order to promote the health of its workforce, FACC offers healthcare programs and benefits over and above legal requirements.

(S1-SBM 3.14e): FACC is committed to contributing to limiting global warming to a maximum of 1.5 degrees Celsius by reducing its greenhouse gas emissions in line with the requirements of the Paris Climate Agreement. However, no concrete transition plans exist at this stage.

Material risks

The switch to renewable energies and the introduction of new technologies could necessitate a restructuring of production processes, potentially leading to job losses in some areas. This particularly affects Engineering & Technical Staff, Contractors and Project Management.

Material opportunities

At the same time, these measures offer opportunities for creating new jobs and retraining the existing workforce. Introducing new technologies and switching to renewable energy sources can lead to greater job security and new career opportunities. This applies in particular to the areas of Information Technology, Human Resources and Engineering & Technical Staff.

In order to take advantage of these opportunities and minimize the associated risks, FACC is planning extensive retraining and further training programs for the employees concerned. This is intended to ensure that the workforce acquires the necessary skills and know-how to be successful in a low-carbon economy.

By implementing these measures, FACC is pursuing a holistic decarbonization strategy that focuses both on direct emissions from its own operations and on emissions along the entire value chain, thus meeting the company's long-term targets and the requirements of the Paris Climate Agreement.

(S1-SBM 3.14f) (S1-SBM 3.14g): Detection of high-risk sites through identification:

1. Geographical risk factors (regional or country level):

- Regions with increased risk: Southeast Asia, Sub-Saharan Africa, Middle East

2. Sector-specific risk factors:

- production sites
- construction and infrastructure development
- supply chain operating sites

FACC also has a subsidiary in Southeast Asia. In this region, the weak enforcement of labor laws poses a higher risk of forced labor and child labor. However, this subsidiary consists solely of office facilities and not production sites. FACC closely monitors this subsidiary as well to ensure that all ethical standards are upheld and that it remains free from forced and child labor.

FACC also operates sites in Southeast Asia. This region is exposed to a greater risk of forced labor and child labor due to the poor enforcement of labor laws. However, all FACC sites in these regions are merely office facilities and not production plants. FACC monitors these sites very closely to ensure that all facilities meet the highest ethical standards and do not engage in forced labor or child labor.

In addition, FACC has implemented measures to minimize the risk of forced labor and child labor in its supply chain operating sites. These include regular audits and inspections and, where necessary, cooperation with local authorities and non-governmental organizations to ensure compliance with labor laws.

With these measures, FACC ensures that all subsidiaries worldwide meet the highest ethical standards and do not engage in forced or compulsory labor.

(S1-SBM 3.15): Identification of risk groups:

- Gender: Women may face a higher risk of discrimination or harassment in certain work environments.
- Age: Older employees may be exposed to a higher risk of injury in physically demanding activities.
- Disability: Employees with disabilities (according to the Austrian Disability Employment Act – BEinstG – and comparable applicable legislation at other locations) may be exposed to a higher risk of accidents or discrimination in certain work environments or when performing specific tasks.
- LGBTQ+: LGBTQ+ staff may be exposed to a higher risk of discrimination or harassment.
- Ethnicity: Employees from ethnic minorities may be at higher risk of discrimination or harassment.

Methodology for identifying risks:

Employee surveys and feedback: FACC performs regular surveys and feedback sessions to collect the experiences and concerns of its employees.

Data analysis: FACC regularly analyzes employee data to identify patterns and trends that could be indicative of increased risks.

Incident reporting systems: FACC has incident reporting systems in place to identify risks and problems at an early stage.

Risk mitigation measures:

Guidelines and governance: FACC has implemented guidelines on diversity and inclusion as well as anti-discrimination and anti-harassment policies.

Training and awareness-raising programs: FACC has established programs on leadership development and raising awareness of diversity and inclusion issues.

Support systems and resources: FACC offers mentoring and sponsoring programs to support vulnerable groups.

Complaint mechanisms and reporting systems: FACC has introduced mechanisms for the protection of whistleblowers and systems for submitting complaints.

Monitoring and continuous improvement:

Regular assessments: FACC conducts regular workplace audits and collects employee feedback to assess the effectiveness of its measures.

Reporting and transparency: FACC makes its progress and challenges transparent by publishing annual reports and involving its stakeholders.

3.1.1. DR S1-1 – Policies related to the own workforce

(S1-1.19):

Policy 1 – Code of Conduct (CoC)

Policy 2 – Data Protection Policy

Policy 3 – Health and Safety Policy

Alongside the topics of corruption and bribery as well as human rights issues (e.g. fair working conditions), the Code of Conduct covers the following areas: general conduct, health and safety, company property, conflicts of interest, ban on cartels, insider information, export control, environmental protection and quality policy. The company also expects its customers and suppliers to adhere to certain values and principles of conduct. This is essential as FACC wishes to work with partners who share the same values and follow the same principles.

Relevant impacts, risks and opportunities (IROs):

- Increasing the attractiveness of the workplace by reducing violence and harassment.
- Increasing the attractiveness of the workplace through a non-discriminatory salary structure within the company.
- Lower staff turnover (decreasing recruiting costs) through measures to prevent violence and harassment in the workplace.

The Data Protection Policy serves to strengthen the trust of stakeholders by making the company's data processing practices transparent and ensuring that personal data is handled responsibly and in compliance with the law.

Relevant impacts, risks and opportunities (IROs):

- Ensuring that the privacy of employees is protected within the company through compliance with the GDPR.

In accordance with ISO 45001, the Health and Safety Policy deals with creating a safe and healthy working environment by following a systematic approach to managing occupational health and safety.

Relevant IROs:

- Creating working conditions within the company that improve health and safety in the workplace.

Scope of the policies:

The FACC Code of Conduct applies to all members of staff of FACC.

The Data Protection Policy, on the other hand, applies to all FACC employees at locations within the European Union.

The Health and Safety Policy also applies to all employees at the Austrian sites.

Only the Code of Conduct is publicly accessible via the FACC homepage or intranet. All other aforementioned policies are only available to FACC employees, who can access them at any time via SAP or the company's intranet.

Responsibilities at FACC:

The General Counsel is responsible for the implementation and enforcement of the Code of Conduct and the Data Protection Policy. They report directly to the Chief Financial Officer (CFO) and the Chief Sales Officer (CSO) of FACC. The Health and Safety Manager, on the other hand, is responsible for the Health and Safety Policy. Until the end of June 2025, he reports directly to the Management Board member responsible for Operations (COO). From June onward, the reporting line shifts directly to the Chief Executive Officer (CEO).

The Health and Safety Policy is reviewed regularly as part of the external ISO 45001 audit.

Possibilities to access the policies:

The Code of Conduct is available on the FACC company website. FACC also disseminates the policy via internal channels to ensure that all employees are informed of, and comprehend, its content. The Health and Safety Policy is accessible on the FACC intranet and is communicated via training courses to also ensure that all employees are informed of, and comprehend, its content.

(S1-1.20) (S1-1.20a): Respect for human rights, including labor rights

FACC is committed to respecting the human and labor rights of all employees, as enshrined in the conventions of the International Labor Organization (ILO). FACC has a zero-tolerance policy against discrimination based on race, skin color, gender, age, religious beliefs, sexual orientation, national origin, disabilities or other protected characteristics. Moreover, FACC is committed to fair remuneration, equality and diversity with numerous initiatives in these areas.

FACC was thus awarded the state seal of approval for family-friendly employers in recognition of its wide range of measures to reconcile work and family life.

At FACC, flexible working time models and all-day childcare offers have been making a significant contribution to improving the reconcilability of work and family life for many years. The founding of the FACC Wings for Women network two years ago marked another important milestone when it comes to supporting women throughout their careers, thereby also creating more equal opportunities.

More than 300 working time models:

More than 300 different working time models in the company underscore the flexibility that FACC offers its employees when it comes to organizing their working hours. The focus is on creating an environment that is particularly responsive to the needs of families. This includes a focus on job sharing - also for management positions. This enables mothers or fathers working part-time to continue their careers without interruption. In addition to flexitime and working from home, parents are offered the opportunity to coordinate their working hours. This option is also available to production staff by working opposite shifts.

FACC as one of the most attractive employer brands in Austria

Measures to promote diversity and family-friendliness are key when competing for the best employees - also in light of the ongoing shortage of skilled workers. FACC's successful positioning as a family-friendly employer is also reflected in a large-scale study conducted by the personnel service provider Randstad, which ranked FACC among the six best employers in Austria. First place also went to Upper Austria. Receiving the Leading Employer Award 2024 further underscores FACC's standing as one of Austria's TOP employers.

(S1-1.20b): Engaging with the own workforce

FACC embraces open and transparent communication with its workforce and cultivates an environment based on mutual respect and cooperation. To this end, FACC maintains open communication channels through regular meetings and feedback mechanisms in order to understand and address the concerns of its workforce. In addition, FACC supports employee representation (works council) and promotes an inclusive corporate culture. Preventing discrimination against individual employees, e.g. through unequal treatment in terms of recruitment, remuneration, promotion opportunities or training and further education, increases the attractiveness of the workplace and is therefore of key importance to FACC. Consequently, FACC is strongly committed to equal opportunities, inclusion and actively practiced diversity.

(S1-1.20c): FACC is committed to addressing human rights impacts arising from its operations, providing effective remedies and ensuring that affected individuals receive appropriate support.

FACC has established robust complaint mechanisms (whistleblower system), which are available to all employees, to ensure that complaints and concerns are dealt with promptly and fairly. Furthermore, FACC fosters an open communication culture, encouraging every employee to seek direct communication with their

superior. The FACC employee representatives can also be contacted at any time. Any reports (anonymous or not) will be handled and investigated by the responsible employees in Compliance.

(S1-1.21) (S1-1.22): Alignment of policies with internationally recognized instruments

FACC's human rights and labor rights policies are aligned with the conventions of the International Labor Organization (ILO) and the ISO 45001 standard. The International Labor Organization conventions form the basis for FACC's commitment to fair working conditions and respect for labor rights. The ISO 45001 certification supports FACC in ensuring a safe and healthy working environment at its Austrian sites (with the Vienna office excluded from the certification scope in Austria). FACC integrates these standards into its internal policies (such as the Code of Conduct, work instructions, etc.) through a structured review process that ensures all new versions of the policies comply with international labor and safety standards and are aligned with the UN Guiding Principles on Business and Human Rights. Moreover, FACC provides training and awareness-raising measures and operates comprehensive monitoring and reporting systems to continuously monitor and improve compliance with these standards. These initiatives strengthen FACC's commitment to the safety, health and rights of its workforce. In addition, FACC provides mandatory training within the company to increase knowledge and awareness of these issues. The corporate policies explicitly address human trafficking, forced labor and child labor. FACC strictly rejects all forms of forced and child labor and undertakes to ensure that no human trafficking practices occur along its supply chain. These commitments are anchored in the company's codes of conduct and supplier guidelines. In addition, FACC performs regular audits and training to ensure compliance with these standards.

(S1-1.23): In accordance with FACC's Health and Safety Policy and the ISO 45001 standard, accidents and near-accidents as well as their causes are analyzed in detail. FACC is committed to continuously improving work routines and safety through extensive theoretical and practical training. FACC has thus invested in a new training center in order to continuously improve the onboarding of new staff and to better accommodate the international composition of its workforce. In addition, new safety videos have been introduced throughout the Group, in which employees are taught the correct application of skin protection and proper conduct inside the company's plants. The videos are displayed on screens on the shop floor and are available in several languages to ensure that they can be understood by all employees. Occupational safety and accident prevention instruments established at FACC include processes such as a group-wide reporting platform for near-accidents and unsafe conditions, a structured process for dealing with occupational accidents and taking appropriate measures, safety walks attended by staff up to the Management Board, and regular zero-accident gate meetings at which managers and specialists in prevention define measures and proactively monitor their implementation.

(S1-1.24a): FACC does not tolerate any form of discrimination, which is also firmly anchored in the Code of Conduct. In terms of content, the Code of Conduct includes, among other things, the promotion of equal opportunities, the prevention of harassment, non-retaliation, and initiatives related to diversity and inclusion. FACC's objective is to create a work environment that is free from

discrimination and harassment and provides equal opportunities for all.

(S1-1.24b): The FACC Code of Conduct specifically addresses various grounds of discrimination such as racial and ethnic origin, skin color, gender, sexual orientation, gender identity, disability, age, religion, political opinions, national origin or social background. These policies ensure that all employees receive fair and equitable treatment in accordance with local laws and international standards. No further measures going beyond the legal requirements are currently being taken.

(S1-1.24c): As of the reporting date, FACC had no specific policy commitments relating to inclusion or affirmative action for particularly vulnerable groups within the workforce.

(S1-1.24d): Disclose whether and how these policies are implemented through specific procedures to prevent, mitigate and act upon discrimination, and to advance diversity and inclusion in general:

As of the reporting date, FACC had no specific procedures in place to implement such policies, as there are currently no specific policy commitments.

In developing the Health and Safety Policy, the Data Protection Policy and the Code of Conduct, FACC took into account the interests of its key stakeholders:

Health and Safety Policy

Internal stakeholders: The needs and safety requirements of employees were assessed through regular consultations with occupational physicians. This ensures that the working environment is safe and conducive to good health. Feedback from employees is, of course, included in this process and considered very important.

External stakeholders: FACC also considered the expectations of regulatory authorities and customer requirements to ensure that the policy meets the highest standards.

Data Protection Policy

Employees and customers: The policy was developed with due regard to privacy and the protection of personal data.

Regulatory authorities: Compliance with legal requirements and the protection of data integrity were the prime focus when developing the policy.

Code of Conduct (CoC)

Employees: The Code of Conduct was developed by incorporating feedback from employees, represented by the Works Council, to ensure that the policies are practicable and comprehensible.

Business partners: The expectations and requirements of customers and suppliers were incorporated to ensure that the Code of Conduct is also applicable when working with external partners.

(ESRS 2.62): For all IROs not mentioned in S1-1.19, FACC does not yet have any policies in place.

FACC is continuously reviewing and adapting its strategies and processes. In the course of the first DMA, FACC became aware of the lack of written processes. The corresponding policies are to be developed in the short to medium term. In the 2025 financial year, no final, reportable content was available yet.

3.1.2. DR S1-2 – Processes for engaging with the own workforce and workers' representatives about impacts

(S1-2.27) (S1-2.27a-e): FACC involves its staff both directly via the workforce, and indirectly via employee representatives (works council), who report on their views in the course of the DMA, but also in other (partly external) audits. Information, requests, suggestions and complaints are also communicated directly to HR in some cases. Here as well, the information obtained is reported as part of the DMA process, as well as through other — in some cases external — audits and management reviews. There are currently no employees (outside the works council) specifically assigned to this task.

The effects of the transformation process aimed at reducing CO₂ emissions are currently too small to have an actual impact on the workforce, or to necessitate the implementation of measures.

Employee involvement takes place at various levels, including through regular surveys and feedback meetings (employee appraisals), employee forums and committees, as well as events (e.g. FACC Wings for Women, works meetings), but also through training and reporting systems. These activities take place annually, quarterly, or as required. Employee appraisals, for instance, take place once a year, while Wings for Women events are held quarterly.

Responsibilities at FACC

The head of the Human Resources department (Vice President HR), who reports directly to the Chief Executive Officer (CEO), is responsible for monitoring this involvement and ensuring that the results are utilized.

Policies

As a global framework agreement with employee representatives, the FACC Code of Conduct, in addition to its initiatives and platforms, enables the company to gain insights into the viewpoints of its own workforce through:

- **Regular consultations:** The Code of Conduct is regularly evaluated and adapted if necessary. This requires meetings and consultations with employee representatives (the works council), during which the concerns and viewpoints of the workforce can be discussed directly. These meetings provide a platform for open exchange and help to identify current issues and challenges.
- **Whistleblower system:** The whistleblower system is an integral component of the Code of Conduct and enables employees to anonymously report violations of human rights, or other concerns. This helps to ensure that FACC obtains a comprehensive picture of the challenges and needs of the workforce.

- With these measures, the Code of Conduct ensures that FACC is able to gain continuous insights into the viewpoints of its workforce and incorporate these into its corporate strategy and decisions.

FACC assesses the effectiveness of its employee involvement by analyzing employee feedback obtained from surveys, meetings, committees, audits and personal conversations. The company develops measures as required, based on this feedback, and pursues a continuous improvement process to ensure that the involvement is effective.

(S1-2.28): FACC identifies "at-risk" groups, such as women or migrants, and implements tailored inclusion initiatives. These include cooperation with employee representatives, training and awareness-raising programs as well as special events to ensure that the viewpoints of these groups are adequately taken into account.

(S1-2.AR-25):

a) FACC is committed to supporting vulnerable or marginalized individuals by adopting specific approaches and paying particular attention to potential obstacles.

b) The company takes into account potential barriers such as language and cultural differences and gender balances, as well as divides within a community or group.

c) FACC strives to provide the workforce with comprehensible and accessible information by offering and using suitable communication channels in both German and English.

d) In the event of conflicts of interest arising within the workforce, efforts are made to resolve them through transparent processes and dialogue, a possible shift within the chain of responsibility, and through changes in responsibilities. In 2025, there was an incident that was handled as described above.

e) FACC ensures that the human rights of the company's workers are respected, including their rights to privacy and freedom of expression, by complying with the Code of Conduct (CoC) as well as the applicable legal requirements at the respective locations.

3.1.3. DR S1-3 – Processes to remediate negative impacts and channels for its own workforce to raise concerns

(S1-3.32) (S1-3.32a): FACC has implemented processes to identify, report, evaluate and remedy negative impacts on its workforce.

These processes include:

- Identification and reporting: Employees are encouraged to report issues through various channels, including direct supervisors, Human Resource, or anonymously via the FACC hotline.
- Assessment and investigation: Reported issues are assessed and investigated by a trained team to determine the causes and scope of the negative impacts.

- Resolution and remediation: Following an investigation, appropriate measures are taken to resolve the issues and remediate the negative impacts.

- Follow-up and feedback: The effectiveness of the remedial measures is monitored through follow-up and feedback from employees to ensure that similar problems do not occur again.

- Evaluating effectiveness: FACC evaluates the effectiveness of the remedial measures deployed by monitoring employee feedback, tracking implementation deadlines, and assessing whether similar issues occur again.

(S1-3.32b): FACC offers several channels through which employees can raise their concerns and have them addressed:

Direct communication: Employees can discuss their concerns directly with their supervisors, department heads or designated HR representatives.

Anonymous reporting: An anonymous hotline (whistleblower hotline) is available for employees to report concerns without disclosing their identity.

Open-door policy: Managers, HR representatives and the works council can be approached any time to discuss concerns and problems.

(S1-3.32c): FACC has established a formal mechanism for handling grievances:

Designated Persons: Trained HR and legal staff oversee the grievance process and ensure that all grievances are handled consistently and fairly.

Defined procedures: The FACC Whistleblower Policy sets out clear procedures for submitting, investigating and resolving grievances.

Documentation and tracking: All grievances are documented and their progress tracked, from submission to their resolution, to ensure transparency and accountability.

(S1-3.32d): FACC supports the availability of these channels through:

Training and awareness: Providing training for employees and managers on the use of grievance channels and raising awareness of the importance of open communication.

Accessibility of the channels: Ensuring that all FACC employees have easy access to the grievance channels, regardless of their position or location.

Awareness-raising campaigns: Employees are made aware of these opportunities through posters displayed in the buildings, desktop notifications on work devices, or in the Employee Space App.

(S1-3.32e): FACC uses the following methods to track and monitor any issues raised:

Tracking mechanisms: Use of tracking systems to monitor the progress of grievances, from submission to resolution, and ensure transparency and accountability.

Feedback loops: Employee feedback (for example, from the employee survey conducted in 2025) is collected to assess the effectiveness of the grievance channels and to drive continuous improvements.

(S1-3.33): FACC assesses whether its own workforce is informed about, and trusts in, the structures and processes for raising concerns through the following means:

Employee surveys and feedback mechanisms: regular surveys and feedback sessions to assess employee awareness and trust.

Training and awareness programs: training and awareness-raising programs on the available channels and how to use them.

Using and analyzing the channels: monitoring the use of grievance channels and analyzing the grievances received.

The FACC Code of Conduct explicitly encourages reporting via the FACC Whistleblower Hotline. The company regards reports as an opportunity for further development and assures its staff that reports will not be followed by retaliation.

3.1.4. DR S1-4 – Taking action on material impacts on the own workforce, and approaches to managing material risks and pursuing material opportunities related to the own workforce, and the effectiveness of those actions

(S1-4.37): Work and Family certification: FACC successfully completed the certification phase for "Work and Family" at the end of the 2024 financial year and the beginning of the 2025 financial year. The "Work and Family" certification in Austria may indicate that measures to improve the compatibility of professional and private life have been implemented. A certification of this kind can help support aspects such as employee satisfaction and retention, increase employer attractiveness, and strengthen the company's reputation. In addition, it can provide impetus for tailored solutions to improve work-life balance.

Wings for Women: The program to empower women within the company offers mentoring and career development opportunities to promote gender equality.

International Café: An initiative to promote intercultural cooperation and exchange between international and local members of staff.

Working time models: Introduction of flexible working time models to cater to the different needs of employees and improve their work-life balance.

Onboarding journey since January 2025: Introduction of a novel onboarding process in which new employees receive important information via the Space App and can provide feedback through opinion surveys at the end of the process.

Measures

Implementation throughout the company: All measures apply to all employees and locations of FACC in Austria, with a particular focus on promoting diversity and inclusion as well as a healthy work-life balance.

Focus on diversity and inclusion: Special programs such as Wings for Women and the International Café aim to strengthen diversity within the company and promote an inclusive corporate culture.

Time horizons for implementing the most important measures

Work and Family certification: The certification process was completed in January 2025; the action plan will subsequently be implemented at FACC.

Wings for Women and International Café: These programs have been continuously running, with regular evaluations of improvement potential.

Working time models: Flexible working hours have been introduced and are continuously adapted.

Onboarding journey: Started in January 2025 with continuous updates based on feedback from the opinion surveys conducted.

(S1-4-38a-d): Health and safety: implementation of strict safety protocols and regular training to safeguard the health and safety of its staff.

Flexibility and work-life balance: Introduction of flexible working time models and supporting the reconciliation of work and family life to increase employee satisfaction.

Health and safety measures: Immediate action is taken in case of incidents, including medical support and adjustments to the workplace to minimize future risks.

All aforementioned measures: Career development and training: Providing further training and development opportunities to increase job attractiveness.

Diversity and inclusion: promoting equal opportunities and a non-discriminatory salary structure.

Protecting privacy: compliance with the GDPR to ensure the protection of employee data.

Regular monitoring: conducting regular safety inspections (e.g. daily safety walkthroughs and continuous evaluation of workplaces by occupational physicians) and audits.

Employee feedback: use of surveys and feedback mechanisms to assess employee satisfaction and well-being.

Independent audits: performing independent audits to ensure compliance with policies and to identify opportunities for improvement.

(S1-4-39): FACC involves stakeholders in order to identify appropriate measures to respond to specific negative impacts, actual or potential, on its own workforce. By collaborating with its employees, employee representatives and trade unions, the company gains valuable insights into potential negative impacts and an understanding of the viewpoints and concerns of its stakeholders. In addition, the company ensures compliance with legal and regulatory requirements by aligning its internal practices with relevant labor legislation, regulations and international human rights standards.

(S1-4-40) (S1-4-40a): Cost increases due to higher-than-expected collectively agreed salary increases: To reduce this risk, FACC plans to introduce long-term salary strategies and regular market analyses in order to better predict and budget for salary increases. The effectiveness of these measures will be monitored through regular financial analyses and budget checks.

(S1-4-40b): Lower staff turnover through flexible working times and a healthy work-life balance: In order to exploit this opportunity, FACC relies on flexible working time models and promotes a healthy work-life balance, which results in higher staff retention and lower recruiting costs.

Lower staff turnover through adequate and fair remuneration: FACC ensures fair and competitive remuneration structures in order to increase employee satisfaction and reduce staff turnover.

Lower staff turnover through further education and training opportunities: FACC offers extensive further education and training opportunities to promote the professional development of its employees and strengthen their loyalty to the company.

Lower staff turnover through access to healthcare services: FACC offers health benefits over and above the legal requirements in order to promote the well-being of its employees and increase their loyalty to the company.

(S1-4-41): Disclosure of whether and how the company ensures that its own practices do not cause, or contribute to, material negative impacts on its own workforce:

FACC has implemented various measures to ensure that its own practices do not cause, or contribute to, material negative impacts on its own workforce. These measures include:

1. Robust health and safety management system

FACC has implemented a comprehensive health and safety management system to ensure that all workplaces are safe and healthy. This system includes policies, procedures and inspections to prevent accidents and health risks.

2. Regular safety audits and inspections

FACC conducts regular safety audits and inspections to ensure that all workplaces meet the highest safety standards. These audits help to identify and eliminate potential hazards at an early stage.

3. Staff training and development

FACC offers its employees regular training and development programs to ensure that they have the necessary knowledge and skills to work safely and efficiently. These training courses cover topics such as occupational safety, health protection and professional development.

4. Cooperation with industry and regulatory authorities

FACC works closely with industry associations and regulatory authorities, such as the European Aviation Safety Agency (EASA) and the International Air Transport Association (IATA), to ensure that all practices comply with legal requirements and industry standards. This collaboration supports the sharing of best practices and encourages continuous improvement.

5. Grievance mechanisms and feedback channels

FACC has put in place mechanisms through which employees can voice concerns and grievances. These channels are designed to identify and resolve issues quickly in order to minimize any negative impacts on the workforce.

6. Data protection and data use

FACC ensures that all practices related to the handling of employee data comply with data protection legislation. This includes the implementation of data protection concepts, the monitoring of any reports and incidents, as well as regular GDPR training in order to protect employees' privacy.

Managing the tensions arising from avoiding or mitigating material negative impacts, on the one hand, and other business constraints:

FACC recognizes that avoiding or mitigating material negative impacts may occasionally conflict with other business constraints. In such cases, FACC follows a balanced approach that includes the following measures:

- **Transparent communication:** FACC fosters open and transparent communication with its employees to ensure that they are informed of decisions made and their impacts. This includes regular meetings and information events.
- FACC strives for balanced solutions that enable both the avoidance or mitigation of negative impacts and the fulfilment of business requirements. This may include, among other measures, the adjustment of work processes, the introduction of new technologies, or the redesign of workplaces.

Currently, reporting is still being carried out in alignment with the ESRS requirements. At this point in time, no comprehensive evaluations or results are yet available that demonstrate how FACC's measures and activities have affected its own workforce.

There is currently no interaction between risk management and the IROs analyzed with regard to the company's own workforce. Consequently, external dependencies have also not yet been evaluated.

(S1-4-43): FACC currently earmarks resources for employee training and development in order to improve the understanding and management of significant impacts. In the past year, many working hours of our employees were spent on occupational health and safety and professional development training. In addition, FACC continuously invests in health and safety programs, including the provision of protective equipment and regular safety inspections. A team of trained HR employees monitors the implementation of these measures and ensures that all workplaces meet the highest safety standards. Independent investigation teams handle reports of negative impacts and retaliatory measures to ensure impartiality and fairness in the resolution process.

Through these measures, FACC ensures that its own practices do not cause, or contribute to, material negative impacts on the workforce while ensuring that business requirements are fulfilled.

3.1.5. DR S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

(ESRS 2.62) (ESRS 2.81): FACC, which is certified according to ISO 45001, recorded a Lost Time Injury Frequency Rate (LTIFR/1,000,000) of 8.4 at its Austrian sites in the 2025 financial year. This means that the target value of 10.0 was clearly undercut, achieving a further improvement compared to the previous year's figure of 11.4.

For the 2026 financial year, FACC has set a target to further reduce the LTIFR to 8.0. As the 2025 result already reflects a very strong and significantly improved safety performance, the primary focus for 2026 is to maintain and stabilise this level. Against this background, the target was deliberately set at a moderate 8.0.

The causes of work-related accidents and near misses are analyzed in detail at FACC, and extensive training and education measures are implemented to continuously improve work routines and safety. FACC has thus invested in a new training center in order to continuously improve the onboarding of new staff and to better accommodate the international composition of its workforce. In addition, new safety videos have been introduced throughout the Group, in which employees are taught the correct application of skin protection and proper conduct inside the company's plants. The videos are displayed on screens on the shop floor and are available in several languages to ensure that they can be understood by all employees. Occupational safety and accident prevention instruments established at FACC include processes such as a group-wide reporting platform for near misses and unsafe conditions, a structured process for dealing with occupational accidents and taking appropriate measures, safety walks attended by staff up to the Management Board, and regular zero-accident gate meetings at which managers and specialists in prevention define measures and proactively monitor their implementation.

This key figure is analyzed monthly with the help of software (PlanRadar) and regularly communicated to the Management Board in management meetings. Accidents and near misses are analyzed and the causes eliminated after discussions with the people affected in order to prevent further incidents.

Currently, FACC sets this goal on an annual basis, and has not included it in its Health and Safety Policy. We wish to change this in the next one to two years by developing a "SMART_Target" for this objective and embedding it in the relevant policy

(S1-4-47a-c) Neither FACC employees nor their representatives are involved in the development or pursuit of the aforementioned objectives. However, the results are reported to the works council (employee representatives) in the management meetings held several times a year, and to the entire workforce via the annual non-financial statement.

3.1.6. DR S1-6 – Characteristics of the undertaking's employees

For all key figures reported here under ESRS S1-6 MDR-M and subsequently S1-8 MDR-M, S1-9 MDR-M, S1-10 MDR-M, S1-14 MDR-M, S1-16 MDR-M, S1-17 MDR-M, it applies that FACC applies all applicable social standards to all internal or external employees, regardless of location, which are also monitored and partially verified by local authorities.

Furthermore, all recorded key figures on the topics are analyzed from FACC's SAP system and have not been verified by any other entity.

(S1-6.50a): The following table shows the total headcount of FACC worldwide:

Gender	Number of employees (headcount) on 31.12.2024	Number of employees (headcount) on 31.12.2025
	Female	1,259
Male	2,780	2,777
Other	-	-
Not disclosed	-	-
Total	4,039	4,050

The figures presented for the current reporting year refer exclusively to the company's own workforce and exclude leasing employees. Likewise, inactive employment relationships, such as employees on family-related leave (e.g., parental leave), are not included in the reported data.

Leasing employees are disclosed in Section S1-7. Further information on employees on family-related leave can be found in Section 3.1.15 (DR S1-15). Interns and temporary seasonal workers are not reported.

The following table shows the total number of employees, broken down by country in which the company employs 50 or more members of staff who account for at least 10 % of its total workforce:

Employees broken down by country

Country	Number of employees (headcount) on 31.12.2024	Number of employees (headcount) on 31.12.2025
Austria	3,247	3,218
Croatia	425	473

(S1-6.50b): The following table shows the total number of employees (headcount), broken down by gender and type of employment, as of December 31, 2025.

Female	Male	Other	Not disclosed	Total
Number of employees (headcount)				
1,273	2,777	-	-	4,050
Number of permanent employees (headcount)				
1,273	2,777	-	-	4,050
Number of temporary employees (headcount)				
0	0	-	-	0
Number of employees with non-guaranteed hours (headcount)				
0	0	-	-	0

(*) Gender as specified by the employees themselves

The definitions used in the tables are all derived from the national legal requirements, which do not differ from each other.

(S1-6.50c) (S1-6.50d-e) (S1-6.AR.59): To calculate staff turnover, we used the total number of employees leaving the company, either voluntarily, due to dismissal, retirement or death in service. The number of employees was reported as a headcount. The average number of employees was calculated as an average over 12 months.

	Departures 01.01.-31.12.2024 in heads	Departures 01.01.-31.12.2025 in heads
Austria	486	344
Canada	14	16
China	0	1
Croatia	74	106
India	3	6
Slovakia	6	13
USA	29	18

	Staff turnover rate as per 31.12.2024 in %	Staff turnover rate as per 31.12.2025 in %
Austria	15.00	11.19
Canada	14.89	20.23
China	0	4.55
Croatia	17.41	23.66
India	2.40	4.58
Slovakia	9.38	20.61
USA	29.59	26.47

(S1-6.50f): The figures for the total number of employees, broken down by gender and country, are identical to those in Note 15 of the Annual Financial Statements.

(S1-6.51) (S1-6.52):

Employee data broken down by region

Reporting period 2025				
Austria	Rest of Europe	Middle East and Africa	Rest of world	Total
Number of employees (headcount)				
3,218	530	137	165	4,050
Number of permanent employees (headcount)				
3,218	530	137	165	4,050
Number of temporary employees (headcount)				
0	0	0	0	0
Number of employees with non-guaranteed hours (headcount)				
0	0	0	0	0
Number of full-time employees (headcount)				
2,851	526	137	164	3,678
Number of part-time employees (headcount)				
367	4	0	1	372

3.1.7. DR S1-7 – Characteristics of non-employees in the undertaking's own workforce

(S1-7.55a) (S1-7.55b): Data on non-employee workers in the undertaking's own workforce

	2025
Total number of non-employee workers in the own workforce	1
Total number of non-employee workers in the own workforce – self-employed workers	220
Total number of non-employee workers in the own workforce – workers provided by undertakings primarily engaged in employment activities	221

The figures were generated from the SAP HR information system and reflect headcount figures as of December 31, 2025.

3.1.8. DR S1-8 – Collective bargaining coverage and social dialogue

(S1-8.60a-c) (S1-8.61) (S1-8.62) (S1-8.63a-b): For our employees at the "significant locations" according to ESRS, namely in Croatia, there is currently no collective agreement or own works council. There is also no collaboration in this regard with the EWC or similar local associations. All reported key figures have not been verified by any other entity.

(S1-8.AR 70): The employees at the Austrian locations are subject to the collective agreement of the "wood industry." For the subsidiary CoLT Prüf und Test GmbH, the collective agreement "Information and Consulting Austria" also applies. Both workers and employees are represented by a works council, which can be approached directly at any time.

Own workforce in the region (within the EEA) covered by collective agreements and social dialogue agreements, by coverage level and region:

Coverage Rate	Collective Bargaining Coverage		Social Dialogue
	Employees (EEA)	Employees (Non-EEA)	Workplace representation (EEA)
0-19%			
20-39%			
40-59%			
60-79%			
80-100%	Austria, Croatia		Austria, Croatia

3.1.9. DR S1-9 – Diversity metrics

(S1-9.66a): All collected key figures related to the topics are generated from FACC's SAP system and are not verified by any additional external party.

Top management level employee data

	2024	2025
Female	6	5
% of top management level	14.63	13.51
Male	35	32
% of top management level	85.37	86.49
Other	0	0
% of top management level	0	0
Not disclosed	0	0
% of top management level	0	0
Total headcount	41	37

(S1-9.AR 71): When disclosing the gender distribution in top management, FACC took the following levels into account: Level 1 = Management Board, and Level 2, which operates directly below the Management Board level.

(S1-9.66b): Employee data by age groups

	2024	2025
Number of employees (headcount)	4,039	4,050
Under 30 years old (headcount)	961	873
% of employees under 30 years old	23.79	21.56
Between 30 and 50 years old (headcount)	2,445	2,503
% of employees between 30 and 50 years	60.53	61.80
Over 50 years old (headcount)	633	674
% of employees over 50 years old	15.67	16.64

3.1.10. DR S1-10 – Adequate wages

(S1-10.69) (S1-10.70) (S1-10.71): FACC ensures that all its employees receive a fair wage that meets applicable benchmarks and does not offer salaries below the local legal minimum wage. Regarding all individuals who are not directly employed by FACC (including subsidiaries), we cannot fully assess this. However, we place great importance on ensuring that all our business partners adhere to our Code of Conduct and Supplier Code of Conduct.

To date, FACC is not aware of any instances where minimum standards (within the EEA as well as outside the EEA) have not been upheld.

All recorded key figures on the topics are analyzed from FACC's SAP system and have not been verified by any other entity.

3.1.11. DR S1-11 – Social protection

Country	White-collar	Blue-collar	Non-employee workers
Austria			
(S1-11.74a): sickness	y	y	y
(S1-11.74b): unemployment coverage starts upon employment	y	y	y
(S1-11.74c): employment injury and acquired disability	y	y	y
(S1-11.74d): parental leave	y	y	y
(S1-11.74e): retirement	y	y	y
Canada			
(S1-11.74a): sickness	y	y	y
(S1-11.74b): unemployment coverage starts upon employment	y	y	y
(S1-11.74c): employment injury and acquired disability	y	y	y
(S1-11.74d): parental leave	y	y	y
(S1-11.74e): retirement	y	y	y
China			
(S1-11.74a): sickness	y	y	y
(S1-11.74b): unemployment coverage starts upon employment	y	y	n
(S1-11.74c): employment injury and acquired disability	y	y	n
(S1-11.74d): parental leave	y	y	y
(S1-11.74e): retirement	y	y	y
Croatia			
(S1-11.74a): sickness	y	y	y
(S1-11.74b): unemployment coverage starts upon employment	y	y	y
(S1-11.74c): employment injury and acquired disability	y	y	y
(S1-11.74d): parental leave	y	y	y
(S1-11.74e): retirement	y	y	y
India			
(S1-11.74a): sickness	n	n	n
(S1-11.74b): unemployment coverage starts upon employment	n	n	n
(S1-11.74c): employment injury and acquired disability	y	y	n
(S1-11.74d): parental leave	y	y	n
(S1-11.74e): retirement	y	y	n
Slovakia			
(S1-11.74a): sickness	y	y	N/A
(S1-11.74b): unemployment coverage starts upon employment	y	y	N/A
(S1-11.74c): employment injury and acquired disability	y	y	N/A
(S1-11.74d): parental leave	y	y	N/A
(S1-11.74e): retirement	y	y	N/A
USA			
(S1-11.74a): sickness	y	y	N/A
(S1-11.74b): unemployment coverage starts upon employment	y	y	N/A
(S1-11.74c): employment injury and acquired disability	y	y	N/A
(S1-11.74d): parental leave	n	n	N/A
(S1-11.74e): retirement	y	y	N/A

3.1.12. DR S1-12 – Persons with disabilities

(S1-12.79) (S1-12.80) (S1-12.AR 76):

The information has been prepared in alignment with the definition and calculation methodology defined in ESRS S1-12.

Persons with disabilities	Women %	Men %	Other %	Not disclosed %	% total workforce
2024	1.19	1.94	0	0	1.70
2025	1.49	1.87	0	0	1.75

3.1.13. DR S1-13 – Training and skills development metrics

(S1-13.83a-b (S1-13.84) (S1-13.85): Career development, performance reviews and training hours

	Percentage of employees that participated in regular performance and career development reviews	Weighted average number of training hours per employee
Women	99.76%	15.45
Men	99.50%	14.01
Other	N/A	N/A
Not disclosed	N/A	N/A
Total	99.58%	14.47

3.1.14. DR S1-14 – Health and safety metrics

(S1-14.88a-e) (S1-14.89): All key figures for these topics are analyzed with our SAP or H&S tool. These are reviewed by the auditor, and also within the scope of the annual ISO 45001 audit.

For the present analyses, the term "employees" refers to all individuals employed by the company under an employment contract, including full-time, part-time, and fixed-term employees. Interns or individuals without an active employment relationship are not included. The term "non-employees" includes all workers who are not directly employed by the company but perform work for it, for example through service providers or temporary employment agencies. These individuals are not legally employees of the company.

Health and safety metrics	Employees		Non-employees	
	2024	2025	2024	2025
Percentage of own workers who are covered by the health and safety management system based on legal requirements and (or) recognized standards or guidelines	100%	100%	N/A	N/A
Number of fatalities in the own workforce as a result of work-related injuries	0	0	N/A	N/A
Number of fatalities in the own workforce as a result of work-related ill health	0	0	N/A	N/A
Number of recordable work-related accidents for own workforce	67	50	N/A	1
Rate of recordable work-related accidents for own workforce in Austria	2.2	8.40	N/A	N/A
Rate of recordable work-related accidents for own workforce in Canada	5	2.63	N/A	N/A
Rate of recordable work-related accidents for own workforce in Croatia	1.41	5.44	N/A	N/A
Rate of recordable work-related accidents for own workforce in USA	N/A	25.26	N/A	N/A
Number of cases of recordable work-related ill health of own workforce (Calculation method aligned with ESRS S1-14)	4	11	N/A	N/A
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	1,506	932.71	N/A	N/A

3.1.15. DR S1-15 – Work-life balance metrics

For the purposes of this report, FACC defines family-related leave as absences taken by employees due to family responsibilities or caregiving duties. This includes, in particular, parental leave as well as maternity and paternity leave.

Family-related leaves

Percentage of entitled employees that took family-related leaves	2024	2025
Female	25.81%	31.42%
Male	14.57%	16.24%
Other	N/A	N/A
Not disclosed	N/A	N/A
Total	18.00%	21.01%

In total, the option of family-related leave (see S1-15.93a) was used by 400 women and 451 men across the entire Group in the 2025 financial year. The percentage presented in the table reflects the gender-specific proportion relative to the total workforce, measured in terms of headcount.

3.1.16. DR S1-16 – Remuneration metrics (pay gap and total remuneration)

(S1-16.97a-c) (S1-16.AR 98): Gender pay gap

In 2025, the gender pay gap between men and women amounts to 14.60 percent for white-collar employees and 2.93 percent for blue-collar employees.

The gender pay gap is disclosed in the current reporting year exclusively for Austria. The calculation is based on the base hourly wage of all employees active as of the reporting date of December 31, 2025; variable compensation components were not taken into account.

As part of the gender pay gap reporting, the inclusion of part-time employees has been defined as follows: the evaluation is based on headcount rather than full-time equivalents (FTE).

A standardized group-wide methodology for collecting and calculating the gender pay gap is currently being developed, including harmonized data foundations and calculation guidelines in accordance with ESRS S1. Starting from the next reporting year, the gender pay gap will be reported for all subsidiaries using the new standardized methodology.

3.1.17. DR S1-17 – Incidents, complaints and severe human rights impacts

(S1-17.104a–b) (S1-17.AR 106):

Incidents, complaints and severe human rights impacts

	2024	2025
Number of incidents of discrimination	0	0
Number of complaints filed through channels for own workers to raise concerns	0	2*
Number of complaints filed to National Contact Points for OECD Multinational Enterprises	0	0
Amount of material fines, penalties, and compensation for damages as result of violations regarding social and human rights factors	0	0
Number of severe human rights issues and incidents connected to the own workforce	0	0
Number of severe human rights issues and incidents connected to the own workforce that are violations of UN Global Compact Principles and OECD Guidelines for Multinational Enterprises	0	0
Amount of material fines, penalties, and compensation for severe human rights issues and incidents connected to the own workforce	0	0
Number of severe human rights cases where undertaking played role securing remedy for those affected	0	0

* This figure includes only notifications submitted through the internal grievance mechanism relating to workplace-related concerns.

(S1-10.75): According to the company, the existence of social standards and the ability of FACC employees to make use of them result in increased employee satisfaction and workplace safety.

3.2. ESRS S2: Workers in the value chain

(S2.SBM-3.10): FACC systematically integrates sustainability into its business model and value chain. This includes the use of environmentally friendly materials and low-emission production processes, as well as the consideration of social and human-rights requirements along the supply chain. The foundation for this is a sustainability strategy aligned with internationally recognized standards — such as the UN Global Compact and its ten principles on human rights, labor standards, the environment, and anti-corruption; the ILO core labor standards as a reference for fair working conditions, occupational safety, and employee rights; and international environmental and management standards (e.g., ISO 14001, ISO 45001), where applied in operational processes. This strategy incorporates all relevant stages of the value chain.

A central element of this strategy is close collaboration with suppliers and business partners to ensure compliance with minimum social and environmental standards. This includes, in particular, requirements related to working conditions, occupational safety, employee qualifications, and respect for human rights. Implementation is supported by structured due-diligence processes, supplier assessments, and risk-based audits.

To promote a shared understanding of ESG requirements, FACC relies on training and awareness-raising measures that apply internally while also serving as a reference framework in communica-

tion with suppliers. This approach helps ensure transparency regarding expectations for responsible working and production conditions along the value chain.

Furthermore, investments in CO₂-reducing technologies and sustainable production processes indirectly contribute to improving working conditions in the value chain — for example, through safer working environments, more efficient processes, and strengthened long-term supplier relationships. In this way, FACC ensures that sustainability is firmly embedded in its business strategy and continuously contributes to improving the social and environmental impacts of its operations.

(S2-SBM 3.11) FACC has sought to consider the most relevant groups of workers in the value chain who are materially affected by the company within the scope of disclosure under ESRS 2.

(S2-SBM 3.11a): FACC has identified the following groups of workers in the value chain who may be potentially materially affected by the company's own operations, products, services, or business relationships, including the relevant impacts for each group:

- Workers on company premises who are not part of FACC's own workforce (e.g., temporary agency workers, employees of service providers or contractors): These workers may be materially affected by impacts related to occupational health and safety, particularly due to their deployment in production-related areas, differing levels of safety instructions, and limited integration into internal prevention and training programs.
- Workers in the upstream value chain (e.g., in metal or mineral extraction or in material-intensive pre-production stages): These areas may involve potentially material negative impacts regarding occupational health and safety, working hours, remuneration, and the respect for labor and human rights, particularly in regions with elevated social or regulatory risks.
- Workers in the downstream value chain (e.g., logistics, transportation, warehousing, or distribution): These workers may be materially affected by FACC's requirements for on-time delivery, production schedules, and logistics planning, which may result in increased work pressure, safety-related stressors, or irregular working hours.
- Particularly vulnerable workers (e.g., migrant workers, women, or young workers): These groups may be disproportionately affected by negative impacts along the value chain, such as limited access to occupational safety measures, discrimination, inadequate remuneration, or insufficient labor-law protection.

(S2-SBM 3.11b): FACC recognizes that in certain regions and industries within the upstream value chain—particularly in countries with weak labor law frameworks—there is an increased risk of child labor and forced labor. These risks primarily affect workers employed by suppliers and subcontractors, especially in raw-material- and material-intensive early stages of the supply chain.

Although FACC's own sites in these regions are predominantly responsible for administrative functions staffed with highly qualified personnel and do not involve production activities, the risks mentioned may still arise indirectly through business relationships and

procurement processes. Accordingly, under ESRS S2, FACC focuses on identifying and assessing risks related to child labor and forced labor affecting workers in the value chain.

This is carried out in particular by establishing binding minimum social requirements for all suppliers, implementing risk-based due-diligence processes, and applying prevention and monitoring mechanisms along the upstream value chain.

(S2-SBM 3.11c): The DMA performed by FACC revealed the following two negative impacts (for the value chain, in the medium term):

- Working conditions within the value chain that lead to precarious employment: These negative impacts are widespread/systemic as they can occur in different parts of the value chain and are often linked to structural problems with regard to employment security.
- Systematic discrimination of people within the value chain: These negative impacts are also widespread/systemic as they can be indicative of deep-rooted discrimination and inequalities in various regions and business relationships.

(S2-SBM 3.11d): The DMA performed by FACC revealed the following positive impacts (for the value chain, in the medium term):

- Working conditions within the value chain, that lead to increased job security.
- Activities producing positive effects: With its C.O.M.P.E.T.E. program, FACC improves workplace safety through targeted training and further education measures, and by raising awareness of CSR issues among FACC's suppliers through questionnaires, as well as on-site and desktop audits. Likewise, FACC's ISO 45001 certification significantly contributes to enhanced workplace safety at its Austrian production sites, which in turn has an indirect positive effect on the safety of external personnel and visitors. FACC also offers its employees a comprehensive training matrix with numerous specialist training courses. All these activities are designed to strengthen employees' skill sets and prepare them for technological changes in a safe working environment.
- Types of workers who are positively affected: Production staff and technical specialists, who are directly involved in FACC's manufacturing processes, are among those most positively affected. These workers benefit from training and further education measures that promote their professional development and increase their job security.

(S2-SBM 3.11e): FACC analyzed the following risks as part of the DMA (for the value chain, in the medium term):

- Financial penalties/litigation costs/loss of sales due to labor incidents of business partners: There is a significant risk of labor law violations by business partners leading to considerable financial burdens for FACC, including financial penalties and litigation costs. Moreover, this can damage the company's reputation and lead to a loss of sales.
- Financial penalties/litigation costs/loss of sales due to incidents involving mental or physical health problems within the value chain: Health problems within the value chain can lead

to legal repercussions and financial losses. Such incidents can impair productivity and increase the risk of fines and litigation costs.

- Financial penalties/litigation costs/loss of sales due to systematic discrimination of individuals within the value chain: Systematic discrimination can lead to legal disputes and financial penalties. Furthermore, this can lead to reputational damage, potentially resulting in a loss of sales if customers or partners avoid the company.

(S2-SBM 3.12): FACC has not yet developed a specific process to gain an understanding of how workers with certain characteristics, located throughout the value chain, may be at greater risk. There is no systematic identification of risk groups according to gender, age, disability, LGBTQ+ or ethnicity. When onboarding direct suppliers for the first time, questionnaires covering general non-financial topics are conducted. A mandatory requirement for entering into a business relationship is the signing of the FACC Supplier Code of Conduct. Audits are carried out throughout the entire year (either desktop or on-site) on a sample basis across the entire supplier pool.

(S2-SBM 3.13): At present, FACC has not identified any specific risks or opportunities that relate exclusively to certain groups of workers in the value chain, such as certain age groups or workers in a particular factory or country. All risks and opportunities identified are currently considered relevant for the entire workforce within the value chain.

3.2.1. DR S2-1 – Policies related to value chain workers

(S2-1.16): The Supplier Code of Conduct sets out the values that FACC considers important for its own workforce. The code is binding for direct suppliers and is reviewed through regular supplier audits. With this approach, FACC aims to ensure that the company's internal values are upheld by its business partners and passed on to their own workforce — ideally in a way that allows them to benefit from these standards as well.

Relevant IROs:

- Working conditions in the value chain that lead to precarious employment.
- Working conditions in the value chain that lead to increased job security.
- Systematic discrimination of persons within the value chain.
- Financial penalties/litigation costs/loss of revenue due to labor law incidents involving business partners.
- Financial penalties/litigation costs/loss of revenue due to incidents involving mental or physical health problems in the value chain.
- Financial penalties/litigation costs/loss of sales due to systematic discrimination of persons within the value chain.

In accordance with ISO 45001, the Health and Safety Policy is focused on creating a safe and healthy working environment through

the implementation of a systematic approach to occupational health and safety management.

Relevant IROs:

- Working conditions in the value chain that lead to precarious employment.
- Working conditions in the value chain that lead to increased job security.

Scope of the policies:

Compliance with the FACC Supplier Code of Conduct is mandatory for all direct suppliers of FACC.

The Health and Safety Policy applies to all employees at the Austrian sites. Through the implementation of ISO 45001 and the resulting safety standards at FACC's Austrian locations, a positive effect is also expected for those workers in the value chain who are present on FACC's premises in Austria as external personnel.

Responsibilities at FACC:

The General Counsel is responsible for the implementation and enforcement of the Code of Conduct (CoC). He reports directly to the CFO and the CSO of FACC. The Vice President Procurement is responsible for the content and compliance of the Supplier Code of Conduct (SCoC). Until 24 June 2025, he reported directly to the COO; following the resignation of the COO, he now reports to the CSO. The Health and Safety Manager, in turn, is responsible for the Health and Safety Policy. Since 24 June 2025, he no longer reports to the COO but directly to the CEO.

The Supplier Code of Conduct reflects the principles of the International Labour Organization (ILO) standards and addresses, among other topics, occupational health and safety as well as precarious forms of work.

The Health and Safety Policy is regularly reviewed as part of the external ISO 45001 audit.

Consideration of the interests of key stakeholders:

When defining the Supplier Code of Conduct, FACC took into account important concerns and interests of individual stakeholders and incorporated them into the document. These include partners within the value chain, particularly customers, but also authorities (legislators). This is to ensure that the policy considers the expectations and needs of stakeholders and promotes sustainable cooperation.

Availability of the policy to stakeholders:

All suppliers are provided with the Supplier Code of Conduct and are required to sign it. The Health and Safety Policy is accessible on the FACC intranet and is communicated via training courses so as to ensure that all employees are informed about, and comprehend, its content.

(S2-1.17a-c): FACC takes workers in the value chain into account within its company-wide policies and procedures, particularly in

supplier management and procurement strategy. A central foundation for this is the Supplier Code of Conduct (SCoC), which sets out minimum social standards related to working conditions, occupational health and safety, human rights, and non-discrimination.

These requirements apply to all material suppliers and business partners along the upstream value chain and form an integral part of supplier selection, evaluation, and development. Consideration of workers in the value chain follows a risk-based approach that takes into account country-, industry-, and activity-specific risks.

FACC is committed to involving employees in the value chain through various methods and processes. These include the C.O.M.P.E.T.E. system, which serves as a platform for exchange and further development. In addition, a whistleblower hotline enables employees to report grievances anonymously. FACC regularly conducts internal and external audits, including with customers and authorities, to ensure compliance with standards. Furthermore, the company is certified according to ISO 45001, which underscores its focus on occupational health and safety. Audits are also carried out at suppliers to monitor compliance with human rights and labor policies along the value chain.

With its Code of Conduct, FACC undertakes to comply with ILO standards (see definition BP2.15 as well as the corresponding reference in accordance with S2.SBM-3.10).

Since FACC generally does not have direct labor-law control over workers in the value chain, its ability to influence conditions occurs primarily through business relationships. This includes, in particular, the contractual integration of minimum social requirements, the communication of expectations to suppliers, and the implementation of risk-based monitoring and dialogue formats.

Within supplier management, FACC uses, among other measures, supplier audits, self-assessments, and regular engagement with business partners to promote compliance with the defined social standards. Where deviations are identified, appropriate improvement measures are initiated, ranging from corrective action plans to a review of the business relationship. The objective is to support gradual improvements in working conditions along the value chain.

(S2-1.18): FACC has established a (Supplier) Code of Conduct that includes compliance with ILO standards. This code explicitly prohibits any form of modern slavery, including human trafficking, forced or compulsory labor, and child labor.

(S2-1.AR-15) (S2-1.19): FACC's policies regarding workers in the value chain are aligned with the standards of the ILO Declaration of Fundamental Principles and Rights at Work. In addition, the company adheres to the requirements of the ISO 45001 standard to promote occupational health and safety among its own workforce, which indirectly also benefits external workers in the value chain who are present at the Austrian production sites.

This is implemented through the Code of Conduct and specific management systems that ensure compliance with these standards. To date, no cases of non-compliance with ILO principles within the value chain have been reported.

3.2.2. DR S2-2 – Processes for engaging with value chain workers about impacts

(S2-2.22a-d): FACC engages directly with workers in the value chain or their legitimate representatives in order to incorporate their perspectives into decision-making. This ranges from direct contact in day-to-day operations to regular supplier audits (both desktop and on-site).

FACC conducts its engagement related to the development and updating of concepts through regular dialogue with customers and suppliers. Although no direct consultation with workers in the value chain takes place outside of day-to-day business interactions and audits, the requirements and concerns of these stakeholders are taken into account through continuous engagement with customers and suppliers and are incorporated into the Supplier Code of Conduct where necessary.

Stages of engagement:

Early phase of policy formulation: In this phase, the information and feedback gathered in daily exchanges with customers and suppliers is used to shape policies.

Type of engagement:

Regular exchange: Continuous and informal dialogues with customers and suppliers to ensure that the policies reflect current requirements and concerns.

Frequency of engagement:

Daily exchange: FACC stays in constant contact with its customers and suppliers, ensuring that the policies are continuously adapted and updated.

With this approach, FACC seeks to ensure that the policies reflect the needs and expectations of the value chain, even without directly consulting blue-collar workers.

Responsibilities:

FACC has not explicitly assigned responsibility for this topic to a specific person. Instead, the company collects information from the various departments, which use the feedback to draw up department-specific policies.

As of the reporting date, FACC had no global framework agreements with global trade union federations.

3.2.3. DR S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns

(S2-3.27a-d): FACC follows a structured approach to remedy any negative impacts on employees within the value chain. This includes a confidential grievance mechanism through which issues can be reported (whistleblower hotline on FACC's website). Remedial measures are tailored to the specific grievances, and their effectiveness is assessed through follow-up surveys.

FACC provides various channels through which employees in the value chain can report their grievances, including:

- A whistleblower hotline (offered directly by FACC, not by a third party) that can be used anonymously and is accessible to all workers, as well as physical suggestion boxes at central locations.

FACC supports the availability of these channels through:

- Training and awareness raising: Employees and managers within the workforce are trained to understand and promote the use and accessibility of the grievance channels, and to emphasize the importance of open communication also for suppliers and customers.
- Accessible channels: Grievance channels are easily accessible, e.g. through multilingual instructions and flexible communication options.
- At FACC, qualified personnel process and monitor the progress of grievances received, from submission to resolution, to ensure transparency and accountability. Feedback loops are put in place to ensure continuous improvement, and affected stakeholders are included in the assessment of the effectiveness of the channels. The involvement of affected stakeholders in assessing the effectiveness of the grievance channels takes place in particular through structured feedback obtained during the follow-up of closed cases, as well as through the evaluation of feedback from supplier dialogues, insofar as this is appropriate and feasible.

(S2-3.28): FACC communicates its policies and processes in a clear and transparent manner to its suppliers, who in turn are responsible for relaying this information to workers within the value chain. This is achieved through regular meetings and written communication. FACC collaborates with the service provider CRIF to monitor compliance with environmental, social, and governance (ESG) standards among its suppliers. The ESG assessment platform Synesgy, which is used in this process, provides a legally compliant and valid ESG rating based on current regulatory requirements.

We have informed our suppliers that a valid ESG certification is required in order to maintain the business relationship with FACC. While not all suppliers currently hold this certification, FACC is continuously working to increase the number of certified suppliers.

In 2025, a reminder was once again sent to suppliers to renew their ESG certification if it had already expired. This reiterates FACC's ongoing commitment to emphasizing the importance and urgency of this matter. An additional training session is not necessary at this time, as ESG requirements are already addressed as part of the CRIF certification process and are also covered in the C.O.M.P.E.T.E. Report.

FACC assumes that the whistleblowing system is trusted, as it is used internally by the workforce. As of the reporting date, no external reports had been received; however, it is nevertheless assumed that the system is also accepted within the value chain.

Policies to protect against retaliation can be found in FACC's Code of Conduct, through which the company undertakes to comply with them (see ESRS G1-1).

(S2-3.29): Channels are to be further expanded in the coming years to make them accessible to an even larger segment of the value chain.

3.2.4. DR S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

(ESRS 2.62): As of the reporting date, FACC had not implemented any specific remediation measures related to human rights violations affecting workers in the value chain. The reason for this is that, during the reporting year, the company was still in a structured evaluation phase in which existing processes, risks, and potential levers for prevention and remediation were analyzed. As part of the double materiality assessment, potential negative impacts on workers in the value chain were examined. No actual material negative impacts requiring specific remediation measures were identified.

Based on the results of this evaluation, FACC plans to further develop its existing processes and supplement them with additional measures within the next twelve months. The focus will be on the perspective of workers in the value chain. Planned measures include expanding the social assessment of suppliers with regard to labor and human rights standards, increasing the involvement of value-chain workers in training and awareness-raising activities related to whistleblowing, and strengthening the consideration of social aspects in supplier audits.

In the 2025 financial year, FACC had no indications or evidence of actual human rights violations involving workers in the value chain. This result is based on the sample on-site audits, questionnaires, and discussions conducted with suppliers.

3.2.5. DR S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

(ESRS 2.81): As of the reporting date, FACC had not set any specific targets in relation to the sustainability issue in question. This is due to the fact that FACC is currently in the evaluation phase of this issue, with the aim of identifying the best approaches to implementing effective and sustainable measures. As mentioned above, only potential negative impacts were analyzed as part of the materiality assessment, but actual material negative impacts requiring remedial action or the setting of targets were not identified. FACC plans to continue comprehensive and continuous evaluations in this area, but to date there have been no indications of actual violations or issues in this area within FACC's value chain.

4. GOVERNANCE INFORMATION

4.1. ESRS G1: Business Conduct

4.1.1. DR G1-1– Business conduct policies and corporate culture

Business conduct policies and promoting the corporate culture

(G1-1.7) (G1-1.10b):

- Policy 1 Code of Conduct
- Policy 2 Supplier Code of Conduct

Policy 1 – Code of Conduct

General objectives

The FACC Code of Conduct aims to establish a zero-tolerance policy towards bribery and corruption within the company and is aligned with the principles and requirements of the United Nations Convention. This is supported by regular training and self-assessments for high-risk areas such as procurement and logistics.

Significant Impacts, Risks, and Opportunities (IROs)

Based on the Code of Conduct, positive impacts include:

- (Own operation, long-term) Strengthening a positive corporate culture
- (Value chain, long-term) Greater involvement of shareholders.
- Opportunities in this context include:
- (Own operation, long-term) Increased revenue through attractive workplaces.

Identified risks for FACC include:

- (Value chain, long-term) Potential failures due to dealings with companies affected by regulatory changes.

Monitoring Processes

The Code of Conduct is monitored through training (part of the welcome training), annual self-assessments with varying focus, a whistleblower hotline, and supplier due diligence by FACC's compliance department. Starting in 2025, an annual internal "Compliance Newsletter" is planned to further raise awareness of corruption within the workforce.

Policy 2 – Supplier Code of Conduct

General objectives

The Supplier Code of Conduct (SCoC) aims to ensure that business partners comply with social, environmental, and ethical standards and is aligned with the principles and requirements of the United Nations Convention. This is supported by a Responsible Business Partners program and FACC's C.O.M.P.E.T.E. system.

Significant Impacts, Risks, and Opportunities (IROs)

The positive impacts identified by FACC regarding the Supplier Code of Conduct (supplier management) include:

- (Value chain, short-, medium- and long-term) Ensuring compliance with social and environmental criteria for its own suppliers
- (Value chain, short-, medium- and long-term) Ensuring compliance with social and environmental criteria for companies in the value chain.

Identified opportunities for FACC include:

- (Value chain, long-term) Planning security/cost savings through long-term and trusting collaboration with suppliers
- (Value chain, long-term) New customer acquisition through strict social and environmental criteria for suppliers.
- (Value chain, long-term) Monitoring processes

Compliance with the Supplier Code of Conduct is ensured through annual audits (desktop and on-site) and the C.O.M.P.E.T.E. system, which focuses on cost awareness, operational excellence, market knowledge, development of partnerships, process efficiency, technology use and business ethics.

Scope of application of the policies

The Code of Conduct applies to all global operational units of FACC with a focus on upstream activities at production facilities, i.e. wherever transparency is crucial.

The Supplier Code of Conduct, on the other hand, is currently only applied at all Austrian locations.

Responsibility for the topic at FACC

The General Counsel is responsible for the implementation of the Code of Conduct (CoC) and reports to the Chief Financial Officer (CFO) and the Chief Sustainability Officer (CSO). He is supported by the Senior Manager CSR and Export Control, as well as by the Legal Counsel for Compliance. The Vice President Procurement is responsible for the Supplier Code of Conduct (SCoC) and reports to the CSO.

Governance structures and decision-making processes

(G1-1.9): FACC follows a structured approach to establish, develop, promote and assess its corporate culture with a view to creating a positive and sustainable working environment.

Establishment: FACC lays the foundations of its corporate culture by defining core values that are aligned with the company's vision and mission and are already enshrined in the Code of Conduct. This includes the dedication and commitment of management, which serves as a role model by actively practicing the company's values.

Our human values

Appreciation and team spirit.

Showing appreciation for our customers and colleagues, and for our work and responsibilities, forms the basis of our corporate philosophy. The FACC team spirit is built on this philosophy and is a defining feature of the company as a whole. Being part of the FACC team should be a source of joy, satisfaction and success.

Our corporate values

Performance and success.

Our FACC value compass guides us at all times to our human and corporate values.

Our customers must be able to rely on us completely. That is why we are committed to performance and success. Because there can be no success without performance. And no company can exist without success. As a team, we place a higher value on joint success than on the success of individuals.

Our ecological values

Sustainability.

Sustainability is in FACC's DNA. From the very first component produced, we have been making aircraft lighter, quieter and more efficient. We are making an effective contribution to reducing CO₂ emissions from aircraft and wish to demonstrate our commitment to sustainability by acting in accordance with the 17 Sustainable Development Goals (SDGs) of the United Nations.

A comprehensive onboarding program ensures that new members of staff understand, and identify with, these values right from the start. During the induction phase, they are introduced to the company's values and principles through various training courses.

Development: In order to continuously advance its corporate culture, FACC fosters the commitment of its employees through regular training sessions, workshops and events aimed at improving teamwork and personal development. Programs to promote diversity and inclusion are offered to ensure that all members of staff feel valued and respected. Employee surveys and feedback tools are key elements of FACC's strategy to ensure that the needs and opinions of its workforce are incorporated into the further development of the corporate culture.

Promotion: FACC promotes its corporate culture through effective internal communication that regularly emphasizes its values and objectives. Important communication channels include the intranet, newsletters, the FACC Space App and regular meetings. In addition, events and activities are organized to strengthen the team spirit and keep the company's values alive.

Evaluation: FACC evaluates its corporate culture through regular assessments and feedback mechanisms (such as the whistleblower hotline), which allow cultural strengths and weaknesses to be identified. This is achieved through measures such as employee surveys, regular feedback rounds and performance measurements. Based on the insights gained, FACC continuously adjusts its strategies to ensure that the corporate culture remains firmly rooted in all areas of the company and continues to develop.

Promoting the corporate culture and business practices

(G1.10a) (G1.10c) (G1.10g): Mechanisms for identifying, reporting and investigating concerns regarding unlawful conduct or behavior in violation of the Code of Conduct.

FACC has established mechanisms for identifying, reporting and investigating concerns regarding unlawful behavior or violations of the Code of Conduct. Employees and external stakeholders can report violations via a designated e-mail address and hotline managed by the Compliance department. Reports can also be submitted anonymously. If the whistleblower discloses their identity, appropriate identity protection is ensured through confidentiality, observing the principle of purpose, and technical measures. Data is not disclosed to third parties as a matter of principle, and appropriate access restrictions are implemented. Furthermore, the whistleblower is protected against retaliation, including through relevant instructions in internal company policies (the Code of Conduct and the Whistleblower Policy).

Once a report has been received, it is systematically recorded and first assessed by the Compliance Officer, followed by a comprehensive investigation in collaboration with the relevant departments and, if necessary, external experts. In this context, the Management Board grants the Compliance department the authority to act independently of instructions. A regulation on the reallocation of responsibilities applies in the event of conflicts of interest. The results of the investigation are presented to the Management Board, which then decides on appropriate measures, if necessary with the involvement of the HR department.

Regular training and information events ensure that all FACC employees are informed of the reporting channels. Statutory information obligations are complied with. In addition, regular information campaigns are organized within the company. These mechanisms provide clear and safe channels for internal and external stakeholders to report any concerns regarding unlawful behavior or violations of internal policies and ensure that the results are investigated and communicated in a transparent manner.

All employees are introduced to the Code of Conduct, and familiarized with its content, during the FACC Welcome Training.

It provides an overview of the Code of Conduct with regard to ethical business practices, the reporting of violations via the whistleblower hotline and the possible consequences of failing to report a violation.

(G1-1.10h): FACC has identified the greatest risks of bribery and corruption in the following areas of the company:

- Procurement (e.g. bribery in exchange for favorable conditions or contract awards)
- Sales (e.g. bribery in order to obtain business or favorable conditions from customers)
- Logistics (e.g. bribery in order to obtain business or favorable conditions from special forwarding agents)
- Finance and accounting (e.g. employees who handle important financial transactions)
- HR (e.g. with regard to recruitment, promotions, contract negotiations)
- Top management (e.g. the authority to make important business decisions could lead to opportunities for bribery and corruption on a large scale)

4.1.2. DR G1-2 – Management of relationships with suppliers

Mechanisms for monitoring and ensuring compliance

(G1 2.62): Strategy for preventing late payments

FACC currently has no dedicated policy that explicitly addresses the prevention of late payments. However, we intend to build on existing guidelines and develop a policy on this topic in the next one to two years.

Standardizing and guaranteeing the timely payment of all suppliers is a top priority for FACC. The most important objectives in this regard include the implementation of standardized payment terms and the establishment of clear and consistent payment terms in all supplier contracts to ensure timely and foreseeable payments. Although this is currently practiced, the company has not yet recorded this in a written policy.

4.1.3. DR G1-3 – Prevention and detection of corruption and bribery

Risk management and internal control systems

(G1-3.18) (G1-3.18a): Back in the financial year 2017/2018, FACC launched a communication initiative to raise awareness of the Code of Conduct, and of compliance in general, throughout the Group. As part of this initiative, the Code of Conduct was adapted and brought to the attention of all Group employees worldwide in a separate mailing by the Management Board.

Since then, FACC employees have received regular training (either annually or biannually, depending on external circumstances and events) on the overarching topics of compliance, anti-corruption, acceptance of gifts, money laundering and terrorism prevention, export control, supply chain compliance, and data protection. At FACC, the ongoing work on good governance is a cross-sectional

discipline in which various organizational units such as Communications, Legal, Business Strategy, Internal Audits, as well as IT Security and CSR are involved. The Legal department bears primary responsibility for the Code of Conduct and serves as the central point of contact for compliance issues within the company.

FACC's whistleblowing hotline is an internal system that enables individuals to report violations of the company's Code of Conduct. Whistleblowers can choose to remain completely anonymous; they are protected by law and can report grievances and concerns confidentially. The system, which has been in operation since 15 December 2021, can be used around the clock and is described in FACC's Whistleblowing Policy. There are no relevant CAPEX or OPEX to report in this regard.

(G1-3.18b): With regard to FACC's whistleblower system, the Compliance Department acts independently of instructions and internal reporting lines. A substitution arrangement has been put in place for cases where an employee of the Compliance department faces a conflict of interest; in such cases, an employee who is not subject to a conflict of interest shall take over the respective case.

(G1-3.18c): Once the investigations have been concluded, a standardized rereport is submitted to the Management Board, including a recommendation for action. The HR department is consulted in cases involving potential disciplinary actions.

With regard to investigations into corruption or bribery, there are (currently) no separate procedural rules in place. Reporting is also standardized in the event of an incident, as explained above.

Processes for identifying and assessing risks

(G1-3.20): FACC employees at the Austrian site are made aware of the whistleblower hotline and its availability on the intranet, and of the Code of Conduct and training materials provided by FACC, as part of their welcome training. Furthermore, numerous information campaigns (via posters, desktop savers, etc.) are held throughout the year.

Risk mitigation and monitoring measures

(G1-3.21 a-c): FACC places great importance on the prevention of corruption and bribery and has therefore developed training programs to raise awareness and educate its employees in these areas. The programs are designed to enhance awareness of ethical business practices and ensure that employees understand and comply with company policies and legal requirements.

The training covers a variety of topics (see table below), including the recognition and avoidance of corruption and bribery, the importance of compliance and ethical behavior, as well as the specific policies and procedures of FACC.

The training is mandatory for all FACC employees in Austria to varying degrees (see table below), particularly for those in positions with a higher risk of corruption, such as in procurement, sales, and management.

Training sessions are offered regularly (see table below) to ensure that knowledge remains current and that new employees are quickly integrated.

Upon completion of the training, participants' understanding is assessed through feedback sessions to ensure the effectiveness of the programs and enable continuous improvements.

FACC ensures that members of the administrative, supervisory, and management bodies regularly (see table below) participate in anti-corruption and anti-bribery training. These sessions are designed to inform leaders about the latest developments, risks, and best practices in these areas and to strengthen their role in promoting an ethical corporate culture.

Management Board: These training sessions aim to emphasize the importance of governance and compliance in corporate management for this participant group.

Supervisory Board: Members of the supervisory board are trained in the legal framework and internal policies of FACC to effectively fulfill their supervisory function.

Executive Management: The executive management team receives training focused on the practical implementation of anti-corruption policies and procedures. This training includes practical examples and scenarios that help leaders make ethical decisions in complex situations.

Table: Functions at risk covered by training programs

	At-risk functions	Managers	AMSB	Other own workers
Training coverage				
Total	369	523	15	368
Total receiving training	0	25 (4.78%)	15	368
Delivery method and duration				
Classroom training (hours)	0	0	0	1h
Computer-based training (hours)	0.5h	0.5h	0.5h	0
Voluntary computer-based training (hours)	0	0	0	0
Frequency				
How often training is required	12-18 months	annually	annually	once during onboarding
Topics covered				
Definition of corruption	Inappropriate offering or receiving of gifts and invitations	Inappropriate offering or receiving of gifts and invitations	Inappropriate offering or receiving of gifts and invitations	Inappropriate offering or receiving of gifts and invitations
Policy	Code of Conduct	Code of Conduct	Code of Conduct	Code of Conduct
OnBOARDING ("Welcome Training")	depends on the specific case, in principle zero tolerance	depends on the specific case, in principle zero tolerance	depends on the specific case, in principle zero tolerance	depends on the specific case, in principle zero tolerance

The training interval of 12–18 months for "risk-exposed functions" results from the availability of internal trainers as well as the relevance and timeliness of the respective topic. Individuals in "risk-exposed functions" also receive this training on a regular basis (albeit with a shorter total duration of approximately 30 minutes), as they are potentially more exposed to this topic in the course of their duties.

A restructuring of the training system is currently underway, including for managers, and is expected to be completed in Q2 of the 2026 financial year. "Other employees," on the other hand, receive the training only once as part of the welcome training. FACC considers that these employees have little or no contact with the topic, and therefore a one-time training during onboarding is deemed sufficient by the company.

4.1.4. DR G1-4 – Incidents of corruption or bribery

Transparency and reporting on governance practices

(G1-4.24)(G1-4.24a): Number of convictions: 0

Financial penalties incurred for violations of anti-corruption and anti-bribery laws amounted to EUR 0.00 in the 2024 financial year.

(G1-4.24b): Furthermore, we are not aware of any violations of FACC's anti-corruption regulations in the 2024 financial year.

4.1.5. DR G1-6 – Payment practices

(G1-6.33) (G1-6.33a): On average, suppliers receive their payments from FACC within 53.7 days, which is within the agreed payment terms. This figure is determined by the controlling department and is part of the monthly reporting to the management board. The Working Capital Manager of FACC also uses this figure for internal analyses.

At FACC, the realization of revenue from the sale of products, as well as from development services and other services, is almost exclusively point-in-time based.

Receivables from deliveries and services typically have payment terms of up to 90 days, while receivables from customer-related development services and contract assets may have payment plans with milestone payments.

(G1-6.33b): FACC does not have standard payment terms. Payment terms are usually agreed upon with payments ranging from 30 days to 90 days (see below). However, these are always individual negotiation points that are negotiated with the suppliers (similar to price and/or Incoterms, etc.).

- Close to 7 % of FACC's suppliers obtain their receivables (without deduction) within 14 days.
- Close to 47 % of FACC's suppliers obtain their receivables (without deduction) within 30 days.
- Close to 13 % of FACC's suppliers obtain their receivables (without deduction) within 60 days.
- Close to 11 % of FACC's suppliers obtain their receivables (without deduction) within 90 days.

The basis for calculating these values is the ratio of the total purchase value (excl. consignment) of materials. The remaining percentages result from minor variations in the payment terms (such as granting a discount of 1 % - 5 %).

(G1-6.33c): As of the balance sheet date, FACC had no pending legal proceedings due to late payments.

5. GLOBAL ENVIRONMENT

The global economy expanded moderately overall in 2025 but remained below its long-term average growth rate. Global real gross domestic product (GDP) increased by approximately 3.2%, following a similar pace of growth in 2024. Despite ongoing geopolitical tensions, trade policy uncertainties, and structural adjustment processes, the global economy proved broadly resilient. Global inflation continued to decline, reaching around 4.1% in 2025. In advanced economies, inflation gradually moved closer to central bank targets, while it remained elevated in some emerging markets.

In the United States, economic output grew by approximately 2.0% in 2025. Although growth had slowed compared to the exceptionally strong performance of previous years, it remained solid by international standards. Growth was primarily driven by continued robust private consumption and high levels of investment in future technologies, particularly in digitalization and artificial intelligence. The labor market remained stable, even though initial signs of a return to normal were becoming apparent. Inflation declined further but remained above the 2% target in certain segments, which continued to influence the monetary policy stance.

Economic development in the euro zone in 2025 was much more modest. Real GDP increased by around 0.9%. While some member states, particularly Spain, showed relatively dynamic growth, major economies such as Germany and France remained weak. Growth was constrained by subdued industrial production, structural competitiveness challenges, and generally cautious investment activity. Inflation in the euro zone declined further and averaged approximately 2.3% for the year, moving closer to the European Central Bank's target.

In Asia, economic momentum remained the strongest globally. China recorded growth of approximately 4.6% in 2025, although structural adjustments in the real estate sector and a more moderate export performance had a dampening effect. India remained one of the fastest-growing major economies worldwide, with GDP increasing by around 6.5%, driven by strong domestic demand and substantial investment in infrastructure. Many Southeast Asian economies also developed robustly, albeit with somewhat slower momentum compared to previous years. Overall, Asia once again made the largest contribution to global economic growth.

In summary, the global economy in 2025 was characterized by moderate and regionally differentiated growth. While the United States experienced a solid upturn and Asia reaffirmed its role as the global growth engine, Europe lagged behind the other major economic regions. Declining inflation rates and a gradual easing of monetary policy had a stabilizing effect, although geopolitical tensions, trade policy risks, and structural challenges remained key influencing factors in the global environment.

In the foreign exchange market, the euro appreciated noticeably against the U.S. dollar. By year-end, the exchange rate stood at approximately USD 1.17 per EUR, supported by expectations of an end to the ECB's rate-cutting cycle and more pronounced priced-in rate cuts by the Federal Reserve.

Despite high geopolitical and economic policy uncertainty, global equity markets performed very positively in 2025, albeit with con-

siderable volatility at times. A more stable capital market environment is emerging for 2026: while declining inflation and more moderate interest rates are supportive of this stabilization, real growth in Europe is expected to remain subdued.

The International Monetary Fund expects global economic growth in 2026 and 2027 to remain robust, albeit below trend, at approximately 3.3% and 3.2%, respectively, broadly in line with 2025 levels. Growth is expected to be driven primarily by sustained high investment in new technologies—particularly artificial intelligence—in North America and parts of Asia, supported by favorable financing conditions and expansionary fiscal policies. At the same time, global overall inflation is projected to decline further, from an estimated 4.1% in 2025 to 3.8% in 2026 and 3.4% in 2027. The return to inflation targets is expected to proceed somewhat more slowly in the United States than in other major economies.

6. INDUSTRY ENVIRONMENT

IATA data for 2025 point to another record year for the aviation industry. With an average passenger load factor of 83.6%, the highest annual level ever recorded was achieved. Both domestic and international passenger traffic experienced moderate growth in 2025. Domestic traffic increased by 2.4% year-on-year, while international traffic rose by 7.1%.

Demand increased across all regions. African airlines recorded the highest annual growth, with passenger demand rising by 9.4% year-on-year. Airlines in the Asia-Pacific region ranked second, with revenue passenger kilometers increasing by 7.8% compared to the previous year. Latin America and the Caribbean as well as the Middle East followed with growth rates above the industry average. European airlines recorded traffic growth of 5.3% year-on-year, while North American carriers reported the lowest increase at 0.4%.

At the same time, the industry continues to face challenges. Despite persistently strong demand, supply chain constraints remain a key issue in 2026. Limited availability of critical aircraft systems—particularly engines—continues to affect the civil aviation industry. These bottlenecks have led to slower-than-planned production ramp-ups for certain aircraft families. Recent statements by Airbus management confirm that the industry will continue to face supply shortages.

Airbus and Boeing increase deliveries

In 2025, **Airbus** recorded 1,000 gross orders, resulting in 889 net orders after cancellations. The company delivered a total of 793 aircraft to 91 customers (2024: 766 aircraft). Airbus achieved its 2025 delivery target but revised its forecast in November 2025 from originally 820 to 790 aircraft. The order backlog increased to 8,754 aircraft at year-end.

Boeing delivered 600 passenger and cargo aircraft in 2025, 252 more than in the previous year (348). The order intake also reflected the manufacturer's recovery. Boeing recorded net orders for 1,175 aircraft, surpassing its European competitor Airbus for the first time since 2018. After cancellations, net orders totaled 1,173 aircraft. As of December 31, 2025, Boeing's order backlog stood at 6,720 aircraft; after accounting adjustments according to

ASC 606, the economically recognized backlog amounted to 6,130 jets.

Embraer, the world's third-largest aircraft manufacturer, has positioned itself as an independent competitor alongside Boeing and Airbus. In 2025, the Brazilian company delivered a total of 244 aircraft across its various business segments (2024: 206).

In 2025, **COMAC** further increased deliveries of its narrow-body aircraft C919, handing over approximately 15 aircraft to customers according to industry estimates, compared to around 12 aircraft in 2024. At the same time, the share of Chinese-built aircraft in the domestic fleet has steadily increased, rising from approximately 1.3% in 2019 to around 4.7%. COMAC holds more than 1,000 orders for the C919 and aims to gradually increase production rates in the coming years. To support this, the company is currently building a second C919 final assembly line. In addition, COMAC has commenced development work on its new wide-body aircraft, the C929, with the objective of conducting its maiden flight before 2030.

In 2025, **Bombardier** remained one of the leading manufacturers in the premium business jet segment, benefiting from sustained strong demand for its Global and Challenger models. The Global 7500 continues to dominate the ultra-long-range segment, while the new Global 8000, with a range of approximately 8,000 nautical miles, is entering the market. North America remains the most important sales market, while demand in Asia and the Middle East continues to grow significantly.

Aviation and sustainability

The aviation industry faces a dual challenge: as passenger numbers rise, the urgency to replace fossil fuels and significantly reduce CO₂ emissions increases. Sustainable Aviation Fuel (SAF) plays a key role in this transition. SAF is produced from biomass, waste, or synthetic sources, and offers a more sustainable alternative to conventional jet fuel. Its use continues to grow, although it still accounts for only a small share of global jet fuel consumption.

The mandatory 2% blending quota under the EU ReFuelEU Aviation regulation entered into force on January 1, 2026, and the industry is complying with this requirement. Although SAF adoption is progressing gradually, production capacities are expanding due to new facilities in France, Scandinavia, and the United States. Airlines such as Air France–KLM are expanding contracts in preparation for the 6% target by 2030. The share of sustainable fuels is expected to rise to 6% by 2030, and to more than two-thirds (70%) by 2050.

The aviation industry's ambitious climate targets remain unchanged. Air traffic is to achieve net-zero emissions by 2050. However, this will require close cooperation between governments, manufacturers, and operators, as well as substantial investments in research, development, and infrastructure. While SAF, hydrogen, and electric propulsion are considered key technologies, a complete substitution of fossil fuels over the coming decades will only be feasible through a combination of measures and supportive policy incentives.

7. BUSINESS MODEL

Disclosures pursuant to Section 243a of the Austrian Commercial Code (UGB)

The FACC Group, based in Ried im Innkreis, is an Austrian aerospace supplier specialized in the research, development, production, and maintenance of components for the civil aviation industry.

Its business model is founded on the following core competencies:

7.1. Research, development, and technological expertise

FACC attaches great importance to research and technology (R&T) as a means of creating innovative lightweight solutions for the civil aviation sector. The company's R&D activities are focused on the following topics:

Process innovation: Optimization and further development of state-of-the-art manufacturing technologies

Engineering solutions: Elaboration of design concepts that enhance efficiency and functionality

Digitalization and automation: Manufacturing technologies for the robot-assisted placement of fiber-reinforced composites by means of automated tape laying, pick & place or automated fiber placement, with a view to making the manufacturing process more efficient and scalable.

FACC has obtained all the requisite approvals to contribute its expertise in the early development phases of new aircraft models and to offer innovative solutions that are perfectly tailored to customer requirements.

7.2. Series production and customer focus

In addition to technology development, the production of high-quality components is a cornerstone of the company's business model. To produce customized components in series, FACC works closely with leading aircraft and engine manufacturers:

Component manufacturing: Production of structural and engine components (e.g., wing, fuselage, and engine parts) as well as cabin elements (e.g., overhead compartments, wall paneling)

Customized solutions: Adapting products to individual customer specifications

Quality management: Rigorous controls throughout the entire value-added process, tailored to the respective components, in order to meet the high safety and quality requirements of the aviation industry

FACC assumes full responsibility for the design, production, and delivery of finished assemblies.

Due to different applications of FACC products, three operating segments have been established.

- Aerostructures is responsible for the development, production, distribution, and repair of structural components.

- Engines & Nacelles covers the production, distribution, and repair of engine components and fan cowls.
- Cabin Interiors focuses on the development, production, distribution, and repair of interior solutions.

7.3. Maintenance, repair, and servicing

The product offering was expanded across all divisions to include services in the areas of maintenance, repair, and servicing.

Aftermarket services: FACC offers repair, maintenance, and overhaul services for aviation components, supporting existing aircraft fleets over their whole life cycle.

Spare parts management: Fast and reliable supply of spare parts to airlines and MRO companies to minimize downtimes.

Sustainable prolongation of the life cycle: FACC contributes to extending the useful life of components and reducing material consumption through innovative repair techniques and sustainable materials.

After customer contracts have been concluded and orders processed internally, the commissioned parts and components are manufactured in the Group's plants and, in some cases, by strategic partners. In addition to the three operating segments, the Group also comprises the central services Strategy, Marketing & Corporate Communications, Human Resources, Innovation & Research, Purchasing, Quality, Logistics, Facility Management, Environment, Health & Safety, Finance, Controlling, Taxes, Treasury, IT, Legal, Investor Relations, Internal Audit, and Risk Management. These central services support the operative segments in the performance of their tasks within the framework of a matrix organization.

8. STRATEGY

With its Strategy 2030, FACC aims to continuously strengthen and further develop its role as an innovative provider of lightweight solutions in the aviation industry. The focal points of the strategy can be summarized as follows:

8.1. Focus on performance

The main focus of FACC continues to be on civil aviation. As a long-standing and reliable manufacturing and development partner of major aircraft and engine producers, FACC not only boasts high-quality products, but also excellent customer relations. The company intends to further deepen these relationships in the spirit of long-term plannability, which is especially important in the aviation industry. In particular, the focus is on safeguarding financial stability and sustainably increasing profitability. In its core business, civil aviation, FACC is achieving growth by:

increasing market shares

expanding its customer and product portfolio

widening its competence portfolio by forming strategic partnerships

focusing on integrated subsystems such as primary structures and complete cabin concepts

8.2. Sustainable transformation

FACC AG has adopted a comprehensive sustainability strategy focused on innovation, efficiency, and social responsibility. The objective is to play an active role in shaping change in the aviation industry and to create sustainable value along the entire value chain. Key measures include:

Developing innovative and sustainable products: Using circular designs, we develop components and materials that meet the requirements of a circular economy and extend the life cycle of products.

Prioritizing sustainable energy sources: By 2030, FACC plans to increase its share of sustainable energy sources from currently 60 percent to 90 percent. The focus is on geothermal energy, hydro-power, and photovoltaics in order to substantially improve the carbon footprint of production processes.

Promoting an open and inclusive corporate culture: FACC is committed to certification as a family-friendly employer and received the "Work and Family" award in 2025.

FACC is committed to promoting a corporate culture that actively embraces diversity, equality, and inclusion (DEI). Employees of more than 50 nationalities receive support through initiatives such as "International Cafés", which are designed to help international staff build internal networks and navigate their professional and personal lives.

Strengthening equal opportunities: The women's network "FACC Wings4Women" empowers female colleagues to develop their potential, promotes career opportunities, and is committed to ensuring the visibility of female talents.

Ensuring a robust compliance system: The robustness of the compliance management system is assessed annually through external audits to ensure utmost transparency and integrity. In addition, staff training programs are developed annually to ensure continuous awareness raising and accountability.

Increasing efficiency through continuous improvement: FACC is committed to improving its ESG ratings (currently EcoVadis and CDP) by at least one score point by 2027. These ongoing advances reflect the company's commitment to promoting environmental, social, and corporate sustainability.

Moreover, an e-learning platform offering all employees training on sustainability and ethical business practices is to be introduced by

the end of 2026. The aim is to strengthen awareness, personal responsibility, and commitment among all members of staff.

8.3. New markets and diversification

FACC is continuously broadening its customer and product portfolio. Building on its lightweight construction expertise, the company intends to step up its growth in new markets such as Advanced Air Mobility (AAM) and thus further diversify its product portfolio.

The concept of decarbonization applies equally to all mobility providers, be it aircraft, trains or cars. This opens up entirely new market opportunities for FACC with potential sales growth through development, production, and maintenance. Examples include air taxis and drones, which are employed in logistics for last-mile deliveries of parcels, or in the medical field to transport urgently needed organs. This form of mobility is becoming increasingly important in large cities around the world.

9. DEVELOPMENT OF THE FACC GROUP

	2023	2024	2025
Revenues	736.2	884.5	984.4
Of which product revenues	693.3	803.7	907.0
Of which revenues from development services	42.9	80.8	77.4
EBIT (reported)	17.5	28.3	42.3
EBIT margin (operating)	2.4%	3.2%	4.3%
Earnings per share	0.20	0.14	0.46

In the 2025 financial year, the FACC Group generated revenue of EUR 984.4 million, marking a year-on-year increase of EUR 99.9 million (2024: EUR 884.5 million). Compared to the previous year, revenue thus increased by approximately 11 percent. This growth continues to be driven primarily by a steady increase in customer call-offs. The Engines & Nacelles and Cabin Interiors segments, in particular, benefited from the generally positive market development. Compared to the previous year, the Cabin Interiors division grew by 21.8 percent. With a 46.6 percent share of total revenue, it is also FACC's largest division. Aerostructures, FACC's second-largest division, accounted for 35.1 percent of total revenue, but saw a slight downturn compared to the previous year. This can be attributed to lower revenue from engineering and development services and a decrease in billings of milestone payments for such contracts compared to the prior-year period. Relative to the previous year, the Engines & Nacelles division recorded revenue growth of 14.3 percent. However, with a 18.3 percent share of total revenue, projects related to engine components remain FACC's smallest segment.

Airbus continues to be FACC's largest customer, accounting for 46.2 percent of total revenue. Projects for the Airbus A320 family are the strongest revenue drivers, representing more than 37 percent of total revenue in the Cabin Interiors and Aerostructures divisions. Engines & Nacelles generated substantial revenue last year with engine manufacturers Pratt & Whitney and Rolls Royce, customer Collins from the sale of engine cowlings, and thanks to the ramp-up of AAM projects.

Reported earnings before interest and taxes (EBIT) in the 2025 financial year amounted to EUR 42.3 million (2024: EUR 28.3 million), meeting management's expectations. Higher raw material costs in the Aerostructures division had a negative impact on earnings. Measures to counteract this have been initiated and implemented, and will begin to take effect in the first quarter of 2026, partially compensating for the current cost pressures. The savings effects from production relocations, particularly in the Cabin Interiors division, made a significant contribution to the improvement in earnings in 2025. The relocation activities planned until 2027 are expected to lead to a gradual and sustainable increase in profitability.

Due to the persistently high location costs in Austria, where the majority of value added continues to be generated, further efficiency-enhancing measures will be crucial to ensuring a sustainable improvement in FACC's earnings. Economies of scale, productivity increases, material price adjustments through reorganization of the supply chain, reduction of material costs, and driving forward utilization increases at the new Plant 6 in Croatia are among the key issues to be addressed in this regard.

9.1. 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 promissory note loans, loan agreements, leasing models, and factoring programs to safeguard its liquidity.

Financing instruments

The banking policy, principles governing financing agreements, liquidity, and financial asset management, and the management of currency and interest rate risks are set down in FACC's treasury principles. In accordance with the Group's policy, credit lines are managed group-wide by the Treasury department.

For information on the company's capacity to raise funds through its authorized and conditional capital and on its funding sources, please refer to Note 39 of the Consolidated Financial Statements. FACC has thus created the main prerequisites for sustainable and stable financing.

Accrued interest expenses are included in current financial liabilities.

Certain liabilities to financial institutions are secured by mortgages on company real estate and state guarantees for loans. The export credit under the Kontrollbank scheme is secured by export receivables in the amount of 120 percent of the outstanding credit

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

Promissory note loans

On July 31, 2019, promissory note loans totaling kEUR 70,000 were issued. The individual tranches bear both fixed and variable interest rates and are due for repayment after five, seven, and ten years respectively. The financing agreements include an interest rate increase clause of 50 basis points if the net financial debt/EBITDA ratio exceeds 3.75. This interest rate increase clause came into force in the 2020 financial year and ceased to apply from the 2024 financial year onwards. The ratio is tested annually. There is no termination right for the creditor.

On July 31, 2024, promissory note loans totaling kEUR 24,000 were issued for the partial refinancing of the matured promissory note loans (in the amount of kEUR 24,500) from July 31, 2019. The individual tranches bear both fixed and variable interest rates and are due for repayment after three, five, and seven years respectively. The financing agreements include an interest rate reduction clause of 25 basis points if the net financial debt/EBITDA ratio falls below 3.5. Additionally, creditors have a termination right if the equity ratio is less than 20 percent. The ratios are tested annually as on December 31. The financial covenants for these promissory note loans were met as of December 31, 2024. The Group expects the annually required covenants to be met within the next 12 months after the reporting date.

As of the balance sheet date, December 31, 2025, the promissory note loan of July 31, 2019, was recorded at kEUR 45,500 (previous year: kEUR 45,500), and the promissory note loan of July 31, 2024, was recorded at kEUR 24,000 (previous year: kEUR 24,000)

Liabilities to banks

Syndicated loan

The syndicated loan of kEUR 225,000, which was originally concluded on August 29, 2018, has been adjusted several times since then, most recently with five participating banks with effect from October 23, 2025. As of the balance sheet date, December 31, 2025, there are four facilities with different designated uses. Three of these facilities relate to OeKB programs. An OeKB participation financing facility originally amounting to kEUR 36,000 and an OeKB Exportinvest facility originally amounting to kEUR 33,526 were concluded as part of the amendment dated February 17, 2023. Both facilities mature on December 31, 2027. The OeKB Kontrollbank refinancing framework (KRR) in the amount of kEUR 50,000 was extended by one year until February 17, 2027, with effect from October 23, 2025. An OeKB Exportinvest facility originally amounting to kEUR 25,000, which formed part of the syndicated loan concluded on August 29, 2018, was repaid on June 30, 2025. The revolving credit facility with a volume of kEUR 95,500 was also extended by one year until February 17, 2027, effective as of October 23, 2025. FACC AG and FACC Solutions Croatia d.o.o. continue to act as guarantors. With the exception of the Kontrollbank refinancing framework and the participation financing facility, which are secured by receivables, all facilities are unsecured.

The following financial covenants were established for the syndicated loan:

	Dec. 31, 2025	Dec. 31, 2026
Net financial debt/EBITDA	≤ 3.75	≤ 3.50
Equity ratio	25%	25%

The financial covenants for the syndicated loan at the respective year-end also apply as of June 30 of the respective year (e.g. 3.50 applies on June 30, 2026 and on December 31, 2026) and are tested bi-annually. If the ratios are exceeded, creditors have a termination right.

For all relevant reporting dates after December 31, 2025, a net financial debt/EBITDA ratio of 3.5 and an equity ratio of at least 25 percent are required.

The Group expects the covenants to be fulfilled bi-annually to be met within the next 12 months after the reporting date.

As of year-end 2025, the revolving credit line had been drawn down by kEUR 20,000 (previous year: kEUR 25,000), the Kontrollbank refinancing framework by kEUR 50,000 (previous year: kEUR 50,000), the investment financing facility by kEUR 19,200 (previous year: kEUR 24,800), and the export investment facility by kEUR 17,881 (previous year: kEUR 25,179).

The syndicated loan matures in mid-February 2027 and December 2027, respectively. Based on current business developments, the FACC Group's plans, and regular discussions with banks, there are no indications that refinancing with existing financing partners will not be possible.

Borrowing outside the syndicated loan

On September 17, 2024, a loan of kEUR 15,000 was taken out and subsequently drawn down in full. The tranche bears a variable interest rate and is due for repayment after three years. The financing agreement includes an interest rate reduction clause of 30 basis points if the net financial debt/EBITDA ratio falls below 3.0, and an interest rate increase clause if the net financial debt/EBITDA ratio exceeds 4.5.

As of year-end 2025, this bilateral loan had been drawn down by kEUR 15,000 (previous year: kEUR 15,000).

9.1.1. Liquidity analysis

	2023 in EUR million	2024 in EUR million	2025 in EUR million
Cash flow from operating activities	36.6	32.0	80.8
Cash flow from investing activities	-19.4	-24.3	-21.6
Free cash flow	17.2	7.7	59.1
Cash flow from financing activities	-12.3	-45.9	-60.1
Net change in cash and cash equivalents	4.9	-38.2	-0.9
Effects from foreign exchange rates	-9.0	-1.4	-5.3
Cash and cash equivalents at the beginning of the period	102.7	98.6	59.0
Cash and cash equivalents at the end of the period	98.6	59.0	52.7

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.

Cash flow from operating activities

Cash flow from operating activities amounted to EUR 80.8 million in the 2025 reporting year, which represents an increase of EUR 48.8 million on the previous year's figure of EUR 32.0 million. This change is mainly attributable to higher operating profit and changes in working capital. Slightly lower receivables, reduced liabilities and inventories, particularly in the area of semi-finished goods, combined with a significantly higher operating performance compared with the previous year, were the main factors contributing to this increase.

Cash flow from investing activities

In the 2025 reporting year, cash flow from investing activities amounted to EUR -21.6 million, compared to EUR -24.3 million in the previous year. Lower payments for buildings in general contributed significantly to this reduction.

Cash flow from financing activities

In the 2025 reporting year, cash flow from financing activities amounted to EUR -60.1 million (2024: EUR -45.9 million).

Free cash flow

In the 2025 reporting year, free cash flow stood at EUR 59.1 million.

9.1.2. Net financial debt

	2023	2024	2025
Promissory note loans	70.0	69.5	69.5
Lease liabilities	72.1	74.0	70.4
Other financial liabilities	165.8	156.3	128.7
Gross financial liabilities	307.9	299.8	268.5
Less			
Cash and cash equivalents	98.6	59.0	52.7
Net financial debt	209.3	240.8	215.8

Net financial debt/EBITDA, a key indicator for Group financing, developed as follows:

	31.12.2023 in EUR million	31.12.2024 in Mio. EUR	31.12.2025 in EUR million
Earnings before interest and taxes (EBIT)	17.5	28.3	42.3
Plus/minus			
Depreciation, amortization and impairment	23.1	24.0	25.7
Amortization contract costs	16.0	14.6	12.8
Impairment contract costs	0.0	0.0	0.0
EBITDA (adjusted)	56.6	66.9	80.8
Net financial debt/EBITDA (adjusted)	3.68	3.60	2.67

9.2. Asset position

	31.12.2023 in EUR million	31.12.2024 in EUR million	31.12.2025 in EUR million
Non-current assets	319.2	320.8	290.7
Current assets	387.3	389.7	391.1
Assets	706.5	710.5	681.8
Equity	220.6	215.8	249.0
Non-current liabilities	182.8	208.1	145.9
Current liabilities	303.1	286.6	286.9
Debt	485.9	494.7	432.8
Equity and liabilities	706.5	710.5	681.8
Equity ratio in percent	31.2	30.4	36.5

9.2.1. Assets

As of the balance sheet date December 31, 2025, the non-current assets of the FACC Group amounted to EUR 290.7 million (comparative period 2024: 320.8 million).

In the same period, current assets increased by EUR 1.4 million. Cash and cash equivalents decreased by EUR 6.3 million to EUR 52.7 million. Inventories decreased from EUR 178.3 million at the end of the 2024 financial year to EUR 175.7 million as of December 31, 2025. Trade receivables amounted to EUR 68.8 million as of December 31, 2025.

9.2.2. Equity

Equity of the FACC Group stood at EUR 249.0 million at the end of the reporting year. This corresponds to an equity ratio of 36.5 percent as of December 31, 2025 (2024: 30.4 percent).

9.2.3. Debt

Within non-current liabilities, other financial liabilities decreased from EUR 52.1 million in the 2024 financial year to EUR 41.3 million in the 2025 financial year.

Within current liabilities, trade payables increased by EUR 9.1 million relative to the previous year to EUR 90.0 million.

Due to the partial refinancing of the promissory note loan of July 31, 2019 with a total volume of EUR 24.0 million and maturities of

3 to 7 years, all promissory note loans as of December 31, 2025, are reported under non-current liabilities.

10. DEVELOPMENT OF THE SEGMENTS

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

Earnings before interest and taxes (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 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 interiors

10.1. Aerostructures segment

	2023 in EUR million	2024 in EUR million	2025 in EUR million
Revenues	272.4	350.1	345.1
EBIT (reported)	12.9	15.4	7.2
EBIT margin (reported)	4.7%	4.4%	2.1%

Revenue in the Aerostructures segment amounted to EUR 345.1 million in the 2025 financial year (2024: EUR 350.1 million). With a share of total revenue of 35.1 percent, the division is FACC's second-largest segment, notwithstanding a slight downturn compared to the previous year. This is attributable to lower revenue from development and engineering services and a decrease in billings of milestone payments for such contracts compared to the prior-year period. The Airbus A320 family remains the largest revenue driver in the Aerostructures division, followed by the Airbus A220 and Airbus A350 platforms.

As in the 2024 financial year, significant increases in raw material costs had a negative impact on earnings in Aerostructures in the 2025 financial year.

10.2. Engines & Nacelles segment

	2023 in EUR million	2024 in EUR million	2025 in EUR million
Revenues	129.7	157.6	180.2
EBIT (reported)	13.5	19.1	21.8
EBIT margin (reported)	10.4%	12.1%	12.1%

Revenue in the Engines & Nacelles segment in the 2025 financial year amounted to EUR 180.2 million (2024: EUR 157.6 million). The top revenue-generating customers in this segment are still engine manufacturers Rolls Royce, Pratt & Whitney, and Collins Aerospace. Revenue growth in the 2025 financial year was mainly driven by increasing construction rates of the Boeing 787 and Airbus A350 programs, and by the upturn in the AAM segment.

With an EBIT margin of 12.1 percent in the 2025 financial year, the division with the lowest sales made the highest contribution to earnings.

10.3. Cabin Interiors segment

	2023 in EUR million	2024 in EUR million	2025 in EUR million
Revenues	334.1	376.8	459.1
EBIT (reported)	-8.9	-6.2	13.3
EBIT margin (reported)	-2.7%	-1.6%	2.9%

With a share in total revenue of around 46.6 percent, the Cabin Interiors division is the largest segment in terms of sales. In the 2025 financial year, revenue in this segment totaled EUR 459.1 million (2024: EUR 376.8 million), which reflects general market demand. The Airbus A320 family contributed significantly to the increase in revenue. In addition, rate ramp-ups of the business jet and Chinese platforms contributed to the growth in revenue in the Cabin Interiors division.

The relocation of production to Croatia had a positive impact on earnings. The numerous efforts made in the past resulted in a positive EBIT margin of 2.9 percent in the 2025 financial year.

11. RISK REPORT

11.1. Basic principles of risk management

Effective risk management is an essential component of corporate governance and plays a key role in ensuring the sustainable success of FACC AG and its subsidiaries, including FACC Operations GmbH. The aim is to identify, appropriately analyze, evaluate, and effectively manage risks at an early stage in order to achieve both strategic and operational objectives. At the same time, it ensures that potential developments that could jeopardize the company's continued existence are identified in good time, thereby averting damage.

FACC AG has implemented a comprehensive risk management system (ERM) based on internationally recognized standards such as the COSO II framework and ISO 31000. This system ensures compliance with legal and internal regulations as well as integration into strategic and operational decision-making processes. Central risk management is responsible for providing methods, reporting, and monitoring the defined minimum standards.

11.2. Structural and procedural organization of risk management

The ERM of FACC AG is organized in a decentralized manner and combines central control with local responsibility. This structure enables risks to be effectively assessed, controlled, and managed across all corporate levels and divisions.

The central risk management function at FACC AG is responsible for providing methods and tools as well as ensuring uniform minimum standards. It coordinates and aggregates reported risks and ensures that these are regularly checked for completeness and plausibility.

The risk owners within the operational units and subsidiaries of FACC AG bear decentralized responsibility for identifying, analyzing, and assessing risks. This structure creates an increased awareness of risks within the operational divisions, contributing to the establishment of an active risk culture by ensuring that risks are managed where they arise.

A central element of FACC AG's ERM is the Risk Committee, which is located at Management Board level and convenes regularly, but at least twice a year. It is composed of members of the Management Board of FACC AG and key internal risk stakeholders. The Risk Committee's objective is to address the most important risk-relevant topics, findings, and events, and to discuss possible measures. The results of the committee are directly incorporated into the strategic and operational decision-making of the Management Board.

The Audit Committee regularly informs the Supervisory Board of the company's risk situation. Reported findings include significant risks as well as measures to manage and minimize potential uncertainties and hazards.

Central risk management ensures that all risks are recorded in a central IT-supported system and updated every six months. This allows risks to be efficiently aggregated and consolidated at Group level, thereby ensuring uniform and transparent reporting.

11.3. Monitoring and effectiveness

The effectiveness of the ERM is ensured by continuous monitoring and improvement processes. As part of these processes, potential for optimization is identified and implemented, taking into account both internal and external requirements.

The ERM is regularly reviewed by the Internal Audit department to ensure that the defined minimum standards are met and effectively implemented. In addition, the auditor performs a functional audit once a year in accordance with Rule 83 of the Austrian Code of Corporate Governance. This audit serves to ensure that the ERM meets the requirements of an effective and appropriate system, supporting the continuous further development of the ERM. The Management Board and Supervisory Board of FACC AG receive regular reports on the results of these monitoring and auditing processes.

It should be noted that although the ERM is considered appropriate and effective, it is subject to inherent limitations that can potentially compromise the functionality of risk management systems. Even a carefully designed and effectively implemented system cannot guarantee that all risks are identified in good time and completely avoided.

The following key risk areas have been identified:

11.4. Strategic risks

The strategic risks of FACC AG stem from external influences, regulatory requirements, and industry-specific challenges which can have a significant impact on the implementation of the corporate strategy, particularly its Strategy 2030, and sustainable business development. In a market environment characterized by high innovation and cost pressure, identifying these risks at an early stage is therefore indispensable to stay competitive in the long term.

FACC's ERM allows strategic risks to be identified in good time, assessed and managed through appropriate measures. The following sections highlight the most important aspects, including the company's dependence on a handful of key enterprises in the global aviation industry, the complexity of international supply chains, and the challenges of an increasingly regulated environment.

Dependency on the global aviation industry and market structures

The aviation industry is characterized by a small number of aircraft manufacturers (OEMs), resulting in a high dependency on a few key companies. Changes in rate ramp-up strategies, demand plans or economic framework conditions of these major customers, for instance, can directly affect FACC's business development. In addition, long development cycles and intense pricing negotiations within the industry make it difficult to adapt to rapidly changing market conditions.

In order to counteract these risks, FACC focuses on diversifying its customer base and expanding into new fields of business. The requirements announced by the OEMs are analyzed within the scope of annual budget planning. Drawing on market analyses, external indicators, and industry-specific trends, FACC then validates these requirements and incorporates appropriate mark-ups or mark-

downs into its planning. This allows the company to react to deviations in good time and control its own production more flexibly.

Dependency on supply chains

The global and complex supply chains of the aviation industry are not only sensitive to geopolitical tensions, shortages of raw materials or external events such as natural disasters, but are also subject to high quality requirements and stringent qualification processes. Moreover, OEMs often specify suppliers, and certain components or materials are often only available from individual manufacturers (single-source manufacturing). This can further limit flexibility in procurement and increase the risk of bottlenecks.

FACC addresses these challenges through forward-looking supply chain management based on diversification, strategic partnerships, and optimized warehousing. In addition, it analyses its dependence on individual suppliers on an ongoing basis in order to identify alternative sources of supply at an early stage and minimize supply risks.

Regulatory environment

The aviation industry operates in a highly regulated environment that is constantly subject to new requirements. Tighter export controls, growing barriers to trade as well as stricter environmental regulations impact business processes along the entire value chain. Political and economic developments can restrict access to certain markets, lead to additional approval requirements, and increase administrative costs.

For FACC, this presents challenges in terms of material procurement, the supply chain, and market development. Tighter export controls, for instance, may complicate trading with certain countries or gaining access to essential raw materials, products, and technologies. At the same time, regulatory changes require internal processes to be continuously adapted in order to ensure compliance with new regulations and avoid delays along the supply chain.

FACC addresses these risks by continuously monitoring the regulatory environment and working closely with customers, suppliers, and authorities. Through forward-looking planning and targeted measures, the company ensures that it is able to react flexibly to new requirements in order to safeguard its global competitiveness.

11.5. Sales risks

FACC operates in a global, highly competitive, and cyclical market environment that is strongly influenced by global air traffic demand, economic conditions, and geopolitical developments. In particular, its business operations are heavily dependent on the earnings situation of commercial airlines and their orders placed with aircraft manufacturers. Macroeconomic factors such as passenger volumes and fuel prices therefore significantly influence the requirement planning of OEMs and thus also the orders placed with FACC.

One specific risk arises from changes in delivery schedules of aircraft manufacturers. Lower production rates or delays in deliveries can result in short-term adjustments to the ordered quantities of components produced by FACC. This not only leads to potential revenue losses, but may also result in longer amortization periods for development costs, which can have a lasting impact on the

profitability of individual programs. Furthermore, non-synchronized production cycles and adjustments to requirements can result in capital being tied up due to increasing stock levels, thus placing an additional burden on working capital.

To minimize and manage these risks, FACC has adopted a multifaceted strategy:

- Agile production processes and optimized inventory management allow the company to react swiftly to short-term adjustments in demand. Close coordination with customers helps to identify changes in requirements at an early stage and to integrate them more flexibly into the planning process.
- Expanding the product portfolio and broadening the geographical reach of its market presence, for instance in key markets such as America, Europe, and Asia, contributes to diversifying risk. In addition, the Group is leveraging its positioning as a development partner for existing aircraft types in order to reduce its dependence on new orders through retrofit orders. Initiatives in the field of Advanced Air Mobility (AAM) complement the existing business model and strengthen the company's long-term market position.

Thanks to these measures, FACC is able to actively address the challenges of a volatile sales market and ensure long-term stability and sustainable growth.

11.6. Operational risks

Operational risks comprise all potential hazards arising directly from FACC's production and business processes. As the company operates in an industry with high quality and safety requirements, systematically identifying and managing these risks is key to the company's long-term success. The internal control system (ICS) serves as an essential instrument for the early identification of process risks when and as they arise and for initiating appropriate countermeasures.

In addition to technological and organizational aspects, operational risks can be exacerbated by external factors such as global supply bottlenecks or geopolitical developments. The following sections highlight key risk categories, including risks related to information security, procurement and supplier risks, product liability, and quality risks as well as business interruption risks. The aim is to provide a comprehensive overview of the relevant threats and the respective control mechanisms, which are continuously monitored and adjusted as needed as part of operational processes and the ERM.

Risks related to information security

In the course of its business processes, FACC is exposed to a multitude of information, IT, and system risks, which have the potential to impair both administrative and production-related systems as a worst case. With advancing digitalization and a growing number of employees working remotely (e.g., from home), the vulnerability to cyberattacks is constantly increasing.

Typical risk factors include cybercrime attacks such as hacking, phishing, ransomware attacks, and social engineering scenarios. Incidents resulting in the loss, corruption or encryption of critical

and sensitive data pose considerable risks for the reputation and financial stability of FACC AG.

In order to effectively counter these risks, FACC relies on a multi-level security concept. Security measures are implemented in IT&S on an ongoing basis and adapted to new threat scenarios. These include modern firewall systems, continuous network monitoring, access and authorization concepts, regular and controlled software updates alongside other technical, organizational, and procedural measures. The effectiveness of these measures is regularly checked through external audits, penetration tests, and certifications. This is supplemented by regular employee training sessions and information campaigns to raise awareness of fraud attempts (e.g. social engineering) and cyber threats.

Physical security at production and company sites is ensured, for instance, through access controls and other protective measures. In this way, FACC is able to minimize the risk of disruptions in both administrative and production-related areas and reduce potential reputational and financial damage as a result of cyberattacks.

Procurement and supplier risks

Procurement at FACC conducts systematic risk assessments of supply chains in order to identify and manage potential disruptions, such as global supply bottlenecks, volatile raw material markets, and geopolitical uncertainties, at an early stage. The aviation industry continues to face delivery delays and bottlenecks, with the potential of a ripple effect spreading through the entire supply chain. This can lead to temporary production downtimes, longer throughput times, as well as higher costs and capital requirements, which can impact delivery reliability and thus FACC's planning security.

In order to minimize these risks, FACC relies on strategic partnerships and regular supplier audits. Mandatory initial sample inspections at the beginning of a project and in the event of significant changes allow potential product risks to be identified at an early stage. Supply quality and delivery reliability are continuously assessed using a system-based procedure. Deviations are systematically recorded, analyzed, and reported to management. In this way, FACC is able to strengthen its resilience along the entire supply chain and ensure high quality and safety standards in aviation, even under conditions of uncertainty.

Product liability and quality risks

As a supplier to the aviation industry, FACC develops and manufactures components that are intended for installation in aircraft and engines. Potential defects or malfunctions may endanger the property, health or lives of third parties, which calls for a systematic focus on product safety. Since FACC is unable to contractually limit or exclude its liability towards customers, consumers, and third parties, all products are subject to continuous functional and quality checks during the manufacturing process. In addition, final inspections prior to delivery ensure that all agreed specifications and regulatory requirements are met.

Projects for which FACC bears development responsibility are subject to an increased risk due to the possibility of construction errors. This risk is reduced as far as possible through systematic quality management, which includes regular control steps in all development phases as well as targeted failure mode and effects analyses (FMEA). In addition, FACC documents and archives all quality-relevant steps (quality records) in an in-house archiving

system. This ensures that all products and services meet the defined specifications and official approvals.

In spite of adequate product liability insurance, quality defects and errors can negatively impact the company's net asset, financial and profit situation in extreme cases.

Business interruption risk

The company's production facilities and plants are continually maintained and serviced to keep the risk of operational breakdowns or prolonged production downtimes to a minimum. In addition, the risk of business interruption is covered by business interruption insurance with a liability period of 24 months.

11.7. Legal risks

Legal risks arise from the various legal requirements and regulations to which FACC is subject both nationally and internationally. Effective compliance management is essential in order to prevent or detect violations at an early stage and to take appropriate countermeasures. In addition, precise contractual provisions and internal control mechanisms serve to minimize potential financial and reputational repercussions.

The following sections highlight key aspects of legal risks, including potential legal disputes and risks related to intellectual property. They illustrate how FACC monitors legal developments and incorporates statutory requirements into its daily business operations in order to firmly anchor and comprehensively protect the company's interests.

Risks arising from legal disputes

FACC is occasionally involved in various civil lawsuits, which may arise from its ongoing business activities. For some of these proceedings, provisions are created to cover potential liabilities, in line with the assessment of qualified specialists and legal advisors.

However, no provisions are created for cases where a negative outcome of the proceedings is deemed highly unlikely, or where the outcome can currently not be quantified. Moreover, it should be noted that negative developments in legal proceedings may damage the reputation of FACC. For this reason, proactive communication strategies and risk management measures are adopted to counteract this.

Risks related to intellectual property

Intellectual property from research and development activities is a key success factor for securing FACC's competitiveness in the long run. Protecting intellectual property against misuse and theft is therefore a key concern of the company. To this end, FACC makes use of instruments such as confidentiality agreements and patents. However, this does not completely exclude the possibility of patent disputes.

FACC operates in a high-tech and constantly growing environment with a very large patent landscape. In order to avoid unintentional patent infringements, FACC conducts extensive patent research; nevertheless, a residual risk always remains.

11.8. Financial risks

The operational business of FACC AG is subject to various financial risks, including currency, interest rate, liquidity, and credit risks. The Group's risk management therefore focuses, among other things, on monitoring the volatility of the financial markets and taking measures to minimize potential adverse effects on the company's financial stability.

The responsibility for identifying, assessing, and hedging these risks lies with Investor Relations, Treasury & Insurance, which cooperates closely with the Group's operational units. Further detailed information on these financial risks and the associated risk management strategies can be found in Note 45 to the Consolidated Financial Statements.

11.9. Sustainability risks

In accordance with relevant regulations, sustainability reporting at FACC is based on the principle of dual materiality. This involves examining the material impacts of our business activities, business relationships, products and services on the environment, society, employees and human rights, on the fight against corruption and bribery (inside-out perspective), and the risks and opportunities arising for FACC from these issues (outside-in perspective). The risks derived from the outside-in perspective are largely integrated into group-wide risk identification, assessment and management via the ERM. A detailed presentation of the identified sustainability risks can be found in the FACC AG Sustainability Report.

In addition, FACC is increasingly incorporating environmental, social, and governance (ESG) aspects into its risk management to be able to react to potential effects at an early stage and safeguard the company's value creation in the long term.

11.10. Summary

The overall risk situation of FACC AG is determined by the risk areas described above and their interactive effects, as well as by the group-wide aggregation and consolidation of the individual risks recorded in the ERM. Based on the information and assessments currently available, a development that could jeopardize the continued existence of the company in the 2026 financial year is considered sufficiently unlikely.

12. RESEARCH, DEVELOPMENT AND INNOVATION

FACC continuously invests in research and development in order to succeed on the market with innovative applications and processes, to continuously improve solutions to customers' problems, and to access new business areas. Here, the main focus lies on proprietary in-house development in order to be able to use the expertise acquired for the benefit of all current and future customers of the company. Moreover, FACC forms strategic alliances with customers and research institutions to further optimize its products. A research project launched jointly with Airbus under the "Clean Aviation Europe EU Program" deserves special mention in this regard.

In the 2025 financial year, FACC spent EUR 60 million, or just under 7 percent of its revenue, on company and customer-specific research and development services.

FACC generally considers being active, and responding promptly, in the field of research and innovation to be a fundamental guarantee of the future success of the company, and will therefore continue to regard this as the main approach to distinguish itself from its competitors on the market. FACC is working intensively on the efficient production of fiber composite components and their carbon impact in order to support the achievement of the stipulated climate targets. The core objective of FACC's Research and Innovation department is to explore new manufacturing technologies that allow for high-rate and climate-friendly production of lightweight components.

At a general level, FACC is continuously working on new product solutions as well as new material and manufacturing technologies. The company is currently focusing its research on the following major topics:

- Rate-capable thermoset manufacturing processes
- Thermoplastic materials and manufacturing processes
- Cabin materials based on thermoplastic and thermoset fiber composites
- Affordable lightweight construction as a key technology
- Automation and digitalization of fiber composite manufacturing

Patents and awards

FACC filed five patent applications in 2025 and was granted 45 patents. As of the end of December 2025, FACC held 571 valid patents.

For the second time in a row, FACC AG was named Supplier of the Year by Embraer in 2025. Comac also honored FACC AG with a Supplier of the Year Award for the successful ramp-up of production of C919 components. Another milestone is the Aero Excellence™ Award in bronze for Plant 4 in Reichersberg: This places FACC among an exclusive group of only eleven aviation companies worldwide that meet this new international standard for the highest manufacturing quality. FACC is also setting standards as an employer, as confirmed by its recognition as a family-friendly company and the outstanding performance of the FACC Future Team at

the apprentice competition of the Austrian Chamber of Commerce (WKO).

High-rate thermoset manufacturing processes

In 2025, FACC continued to develop the backbone of composite manufacturing, fiber-reinforced thermosets and related processes, with a focus on rate capability, technology scaling, and process time reduction, further increasing the level of technological maturity. A cabin-compatible, fire-resistant epoxy resin prepreg system has been identified that significantly improves surface quality. At the same time, FACC is making significant progress with fast-curing structural prepregs, which are already planned for use in a customer project. In addition, two-component RTM resin systems for structural components were further developed to shorten cycle times, ensure robust injection and curing processes, and prepare for series production. The potential was demonstrated in the EU research project "UP-Wing" together with AIRBUS, DLR, and HEXCEL.

Thermoplastic materials and manufacturing processes

In 2025, FACC consistently continued its chosen development path for fiber-reinforced thermoplastics, and gradually increased the technology readiness level (TRL) of its thermoplastic manufacturing processes. Thermoplastic components enable the economical combination of high-rate capability, light weight, and circular economy; initial relevant inquiries for structural, engine, and cabin applications demonstrate the growing market proximity. In collaboration with OEMs, FACC refined its automated process steps, including thermoplastic-based fiber placement via automated fiber placement and pick & place, and validated process windows. Significant progress has been made in the consolidation of weight-optimized laminate structures (tailored blanks). Together with the established high-temperature consolidation and forming press, key manufacturing steps can be carried out in-house, representing a further step towards higher TRL, process stability, and industrial scalability.

Cabin materials based on thermoplastic and thermosetting fiber composites

In the 2025 financial year, FACC promoted innovation along the material and process chain. The focus was on thermoplastic sandwich materials, whose homogeneous structure enables innovative recycling concepts and closed material cycles. New design and manufacturing strategies increase production efficiency, shorten cycle times, and improve the environmental balance. At the same time, FACC is expanding its portfolio of epoxy resins for use in the cabin and is consistently focusing on REACH-compliant material systems in order to combine regulatory future-proofing with first-class performance. Design-to-cost, data-based material selection, and process-integrated quality methods reduce costs without compromising functionality and safety. In this way, FACC is strengthening its technological leadership in sustainable lightweight construction and translating innovation into industrial value creation in a targeted manner. In order to be able to evaluate the targeted CO₂ reduction, FACC is also collecting data for the subsequent life cycle assessment (LCA).

Affordable lightweight construction as a key technology

In the 2025 financial year, research, innovation, and technology at FACC focused consistently on affordable lightweight construction.

As a key technology, it enables the acquisition of new customer orders through competitive costs and short industrialization times. The emphasis is on design-to-cost/sustainability, material-efficient designs, and resource-saving processes along the value chain. Targeted material savings and the use of high-performance materials reduce weight, costs and environmental impact without compromising performance requirements. Digital development methods and efficient manufacturing increase speed and quality from the initial concept to series production. Strategic cooperation with customers and research partners ensures the translation into market-ready solutions and strengthens FACC as an innovation partner for sustainable and cost-efficient lightweight construction.

Automation and digitization of fiber composite manufacturing

R&D activities are strongly focused on the automation and digitalization of fiber composite production in order to increase competitiveness. The automated fiber placement (AFP) process is required for the manufacture of complex structural components and will be brought to an industrial scale in 2026 in order to achieve reproducible quality, short throughput times, and the efficient use of materials. For smaller components, FACC is establishing pick-and-place solutions with camera-guided parts handling for safe and stable series production. The digitalization of cure degree measurement enables inline quality monitoring, traceable process data, and early fault detection. By linking the data with other manufacturing parameters, stability, efficiency, and first-time-right rates in the production of fiber composite components are further increased. These initiatives strengthen scalability, process reliability, and cost leadership in lightweight construction, and support competitive production.

13. EMPLOYEES

As of December 31, 2025, the total headcount of the FACC Group amounted to 3,907 full-time equivalents (previous year: 3,850 FTEs).

In Austria, 3,074 FTEs were employed as of December 31, 2025 (previous year: 3,059 FTEs). This corresponds to approximately 78.7 percent of the Group's total workforce (previous year: 79.5 percent).

	Blue collar	White collar	Total
Central Services	323	483	806
Aerostructures	766	183	949
Engines & Nacelles	341	112	453
Cabin Interiors	602	150	752
Subsidiaries	504	400	904
FACC AG	0	43	43
Total	2,536	1,371	3,907

The international nature of FACC is also reflected in its personnel structure. Employees from 56 countries and from all continents are currently working at the Austrian locations. 45 percent of the workforce have Austrian citizenship, and 14 percent are German nationals. For a technology company, FACC's share of women in the total workforce remains high at 30 percent. The proportion of women in FACC's apprenticeship program currently stands at 36 percent.

13.1. Motivation and health: FACC as a pioneer of employee satisfaction

A motivated and committed workforce is essential in challenging times, particularly during labor shortages.

Employee survey

An employee survey was conducted at all FACC locations in Austria in the period from September 30 to October 14, 2025. The aim of the survey was to obtain honest and comprehensive feedback on how employees perceive their daily work, cooperation within the company, and the overall conditions at FACC.

In total, 3,330 employees were invited to participate in the survey, which achieved a response rate of 38%. The survey was conducted online in six languages to ensure that participation was as broad as possible. The results of the survey will be available in early 2026. Specific measures will then be derived from these results, with the aim of further strengthening employee satisfaction and long-term loyalty to FACC.

LIFE Program

FACC launched its Life Program in 2023. The program consists of five pillars: Vital LIFE, Career LIFE, Green LIFE, Family LIFE, and Social LIFE. Each pillar offers a wide range of benefits relating to various topics and campaigns designed to maintain and promote employee health, motivation, and satisfaction.

Vital LIFE

A wide range of activities are on offer to promote both physical and mental health. Employee benefits include vaccination campaigns against TBE and influenza, preventive health checks as part of annual blood donor campaigns, and fitness videos that can be accessed online at any time.

Career LIFE

Career LIFE focuses on the development of employees. The expert career program offers development opportunities for specialists outside the traditional management career path. This ensures that experts gain visibility within the company and receive targeted recognition for their achievements. Career paths in project management have now also been defined and made transparent with the introduction of the project career.

Green LIFE

Green LIFE is all about sustainability. In addition to a second-hand sales platform, employees can also lease bicycles and electric bikes and thus benefit from tax advantages.

Since June 2022, FACC has been offering its staff the option to lease a bicycle or electric bike. With the "Jobrad" initiative, FACC aims to introduce more sustainable mobility into everyday work life. Employees can select a bike of their choice from a retailer and choose between various leasing and insurance options. The advantage is that the leasing rate is deducted through payroll accounting at FACC, providing tax benefits.

FACC is committed to sustainable technologies and mobility concepts, not only in aviation, but also in the daily commute of its workforce. In cooperation with the Upper Austrian Transport Association (OÖV), a bus stop was established in the immediate vicinity of the company's site in St. Martin. Departure times were aligned with shift schedules, enabling employees to commute to and from work using public transport.

Family LIFE

When it comes to flexibility, FACC wishes to make it easier for its workforce to strike the right balance between their professional and family lives. The FACC Kids Clubs offer subsidized childcare throughout the year and during the summer vacation. In order to make high-quality childcare available to even more members of staff, FACC also operates a Kids Club in Ried i. I. in addition to St. Martin i. I. Furthermore, FACC offers the greatest possible flexibility to optimally reconcile personal and professional needs, including part-time parental leave, a one-month parental leave for fathers, flexible working time models, and the possibility of working from home.

Diverse working time models are also becoming increasingly important in this regard. In this area too, FACC recognized very early on that highly flexible models are attractive for the workforce and potential new crew members. Therefore, in addition to a flexitime system for salaried employees and the possibility of integrating bridge days, FACC offers up to 10 flexitime days, and up to 15 flexitime Fridays. Moreover, FACC has a particularly flexible home office policy: working from home is solely a matter of agreement between the employee and their manager, as permitted by law, and is

not otherwise subject to any limitations. In the 2025 financial year, FACC employees worked a total of 33,774 days from home. In addition, FACC offers a variety of part-time working models, which are particularly popular with employees who have children to take care of, or for professional development purposes.

Due to its previous commitment, and as a strategic step for the future, FACC completed the certification process for the Austrian state quality seal "berufundfamilie" in the fall of 2024. With the involvement of employee representatives and management, existing measures were reviewed and key focus areas defined for the future. In December 2024, the Audit Committee awarded the basic "berufundfamilie" certificate, which is valid until December 4, 2027.

Social LIFE

To be among the best, you need commitment, team spirit, and a passion for innovation. FACC not only wishes to achieve but also celebrate its successes together with its employees. In addition to the Leonardo Team Award, which is presented annually in recognition of special team achievements, there are various employee events such as a Christmas party, break time areas, and canteens.

13.2. Personnel development and promotion

Academy

Continuous investments in the human capital of its entire workforce is a key factor contributing to the corporate 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 746 internal training sessions with a total of 8,126 employees participating in the 2025 financial year. In addition, more than 50 external training sessions attended by more than 550 employees were held. With more than 30 languages courses completed, FACC is actively promoting the integration of its international staff.

In order to make responsible use of its employees' time resources, FACC has been offering selected training courses via e-learning for a long time. E-learning content is also created by internal developers in order to specifically tailor the offering to the requirements of the workforce and the company as a whole. In addition to the existing e-learning courses, the offering was further expanded in 2025. Compared to the previous year, the hours of online learning have doubled. The learning units can be completed directly at the workplace via FACC's SAP system.

Moreover, to ensure that employees meet all job requirements, FACC is continuously revising its training matrix for both its Austrian and international locations. The so-called "LSO Learner"/"Manager Self Service" in SAP provides each manager and crew member 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.

The learning atmosphere at the new FACC Academy has also been adapted, enhanced, and continuously improved and adjusted. Four training rooms with cutting-edge presentation technology, a luminous atrium and a video wall for events create the perfect learning environment. A highly qualified team of trainers ensures that new and existing crew members reach the highest level of expertise. New colleagues start their onboarding directly in the Academy and receive up to two weeks of continuous training, depending on the chosen vocational path.

Development paths

Ensuring that the know-how and talents of the FACC crew can be contributed and applied as effectively as possible is important for the personal and professional development of employees as well as the success of the company. The various qualifications and strengths of employees are bundled in three development paths:

Management career:

The most important criteria in this area are leadership skills, proactive strategic thinking, a wide scope for action, and impact on the company's commercial success.

Expert career:

Employees in this area are characterized by a high level of expertise, specialist knowledge, experience, independence, and responsibility in their respective field.

Project career:

Here, the significance and scope of the project as well as the role assumed within the project are equally as important as organizational talent and flexibility.

The implementation of the development paths and the allocation of employees to the individual levels was started in mid-2022. Due to the annual review meetings, this is an ongoing process.

Employer branding

In addition to the continuous expansion of the employer brand, the primary employer branding focus in 2025 was on approaching and recruiting production staff. Various recruiting platforms were used for this purpose, and cooperation with external partners was intensified.

FACC continued its numerous collaborations with authorities, foundations, schools, and research-oriented institutions, ensuring that the right people and expertise can be brought on board quickly.

In the field of social media, various video campaigns were successfully launched on the most popular platforms. In addition, AI tools are used in social media recruiting to allow for even more precise targeting.

New recruiting software

Furthermore, new recruiting software was introduced and successfully implemented. This has had a positive effect on both the employee journey and collaboration between departments, which has been greatly facilitated.

The onboarding program is adapted on an ongoing basis. An onboarding journey was thus introduced via the Space App, an internal communication platform, with the aim of simplifying the onboarding process and promoting integration.

Team spirit

In the past year, numerous initiatives were launched to promote internal cohesion. A particular focus was placed on measures that support team spirit, cultural exchange, and interpersonal networking.

Important internal events include the annual Christmas party and anniversary celebrations. In 2025, around 270 employees were honored and celebrated for a total of 4,565 years of service. With more than 1,300 registrations, this year's Christmas party once again proved to be a resounding success. One of the highlights of the supporting program was the coveted Leonardo Team Award, which was presented for the 10th time. To mark this anniversary, a number of new features were introduced, one of which was implemented directly at the Christmas party: for the first time, employees were able to vote live for their favorite Leonardo crew member.

A key initiative was the wide range of sporting events, which were advertised via the Space App and which employees were encouraged to take part in. Whether group runs or other sporting leisure activities, these formats play a significant role in strengthening team spirit, promoting cross-departmental networking, and creating an active, health-conscious working environment.

These measures help to create an appreciative, inclusive, and collaborative work environment that sustainably strengthens the corporate culture.

Young talents

In cooperation with the Austrian Industrial Association, a "Children's Industry Day" is organized twice a year for children and adolescents up to the age of 13, introducing even the youngest visitors to the world of aviation, lightweight construction, and STEM professions.

The master's program for students has once again proven its worth. By offering master's students highly flexible working hours, the program provides them with the opportunity to gain practical experience in the aerospace industry and establish close ties with FACC.

Cooperating with schools was one of the top employer branding goals of the past year. The three sponsored classes continue to receive excellent support, including the assignment of projects, thesis topics, and summer internships. In addition, various workshops for pupils, such as job application training and SAP training, are offered to help them get their careers off to a good start.

As part of excursions of various educational institutions (schools, universities, universities of applied sciences, etc.), we had the opportunity to welcome around 500 visitors and allow them to experience our company at first hand.

The FACC HELD drone project is entering its final phase. As part of this project, students from the higher technical colleges HTL Ried, HTL Andorf, HTL Braunau, and HTL Vöcklabruck were invited to develop and produce a parcel drone. The students work together in

inter-school teams, with each school focusing on a specific technical area. The project includes two internships and the opportunity to write a thesis. The drone test flight took place successfully in the fall. The HELD drone project is an excellent opportunity for FACC to raise its visibility in schools.

13.3. Global family

As an international company with employees from 56 countries, FACC attaches great importance to cross-cultural dialogue. In order to ensure good cooperation between colleagues, a large number of our employees attend language and intercultural training courses.

International cafés

Several times a year, this format provides an open and informal setting for exchanging views on cultural specificities in Austria, practical day-to-day matters, and questions related to arriving and working in a new environment. The International Café not only supports social integration, but also creates space for dialogue, understanding, and intercultural networking.

Furthermore, individually tailored information and solutions for all aspects of everyday life are provided through our cooperation with the "Initiative Lebensraum Innviertel" association. The focus of each event is based on the needs and wishes of our international workforce.

13.4. In-house development of young talents

FACC also gives high priority to the training of its apprentices. At the end of the 2025 financial year, a total of 51 apprentices were enrolled in ten different apprentice training programs at FACC. As a visible recognition of the quality of its apprentice training, the company was awarded the "State-Honored Training Company" prize by the Federal Ministry of Education, Science and Research.

FACC offers aspiring young apprentices highly specialized training programs in design engineering, metal working technology with milling, cutting and machining techniques as a main module, plastics process engineering, fiber composite technology, process plastics technology, process engineering, IT systems engineering, and application development – coding, purchasing, and operational logistics. At FACC, apprentices have access to the latest technologies and equipment in the company as soon as they start their training. This gives them the opportunity to apply their innovative spirit and commitment to develop into the experts of the future.

With the FACC Future Team, FACC is placing a long-term focus on young talents. In order to succeed in this highly competitive market, proven incentives for apprentices include seven weeks of vacation, free lunches, bonuses for successfully completing vocational school, as well as other benefits.

13.5. FACC grant

The FACC grant was awarded for the first time in the 2019 financial year in the study course "Lightweight Design and Composite Materials" at the University of Applied Sciences in Wels. In 2025, two new students were admitted to this study program. Students receive monthly financial support. In addition, FACC covers their tuition fees, offers internships in its plants, provides guidance and

assistance through competent FACC employees, and allows students to take part in training courses, among numerous other perks. In total, FACC is now offering scholarships to six students enrolled in the "Lightweight Design and Composite Materials" course at the University of Applied Sciences Wels.

13.6. Diversity

The importance of diversity and internationality as corporate success factors is indisputable. The diverse workforce comprising more than 50 nationalities brings with it a wealth of different perspectives and requirements, which FACC is well aware of.

Focusing on the various aspects of life-stage-oriented work not only fosters a diverse workforce, but also opens up opportunities for growth in times of a skilled labor shortage. The number of different working time models at FACC has increased over the past few years: The emphasis is on offering employees flexibility and new approaches that also enable part-time staff to take on management positions. In addition to flexitime and the option of working from home, parents are given the opportunity to coordinate their working hours with each other. This option is also available to production staff by working opposite shifts.

Job sharing

Job sharing offers highly flexible working time arrangements, e.g. for lateral or career changers, staff returning from parental leave, or those in further training and education. It also caters to older employees, staff leaving the company, and those who wish to keep their knowledge and experience within the company through innovative offers and working models.

Promotion of women

The mentoring program is directed at female students in the 12th grade of higher technical colleges (HTL). FACC has been involved in this program for some time and is currently providing two female students from the HTL Andorf with an internal FACC mentor who is available to the young women as a sparring partner. In addition, FACC offers the participants summer internships and the opportunity to write a thesis.

FACC Wings for Women

The FACC Wings for Women network got off to a great start in September 2023 with a kick-off event attended by around 130 people. The aim of the Wings for Women network is to promote equal opportunities, female empowerment, and to increase the proportion of women in management positions. Several network events are offered each year, providing targeted impetus for the advancement of women through expert input, workshops, and networking opportunities. Since the network was established in 2024, in addition to events held on its premises including workshops and keynotes, FACC has also been taking advantage of its cooperative ventures in the local area to enable its workforce to participate in events on interesting topics (e.g. financial topics specifically for women).

These measures not only contribute to the development of a diverse and inclusive corporate culture, but also sustainably strengthen the company's innovative power, its positioning as an attractive employer for both prospective and current employees,

and ultimately its success on a global level. In recognition of its outstanding achievements, FACC Wings for Women was awarded the "Strong Women. Strong State" prize by the State of Upper Austria.

The Wingman Campaign was launched to actively involve managers in identifying and encouraging high potentials. Male role models were recruited from within the company to promote equal opportunities and talent. Wingmen play a key role in strengthening equal opportunities within the company, as they act as valuable multipliers and mentors.

14. REPORT ON BRANCH OFFICES

FACC AG does not operate any branch offices.

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

15.1. Reporting on the key features of the internal control and risk management system with regard to accounting procedures

Pursuant to Section 243a para. 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. In accordance with Section 82 of the Austrian Stock Corporation Act (AktG), the Management Board of FACC has to ensure that an accounting and internal control system is in place, which 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 risk management and the internal control system are laid down in FACC's risk management and finance manuals. Among other things, 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, only joint signatory powers for authorizing payments, which are restricted to a small number of persons, as well as system-supported checks by SAP, the IT software in use.

FACC has been using this software 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 current business performance and forecasts regarding the Group's further course of business. In its meetings, the Audit Committee of the Supervisory Board dealt with topics such as the internal control system, risk management, and measures to mitigate internal control risks.

As part 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 approval by the Management Board. Investments running over budget must also be approved by the Supervisory Board.

15.2. 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 December 31, 2025, 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 confers one vote at the Annual General Meeting.

As of December 31, 2025, AVIC Cabin Systems Co. Limited (formerly FACC International Company Limited) held, either directly or indirectly, 55.5 percent of the shares of FACC.

As of the balance sheet date December 31, 2025, no other shareholders were known to hold more than 10 percent of the share capital.

The free float of FACC shares amounted to 44.5 percent, or 20,397,364 shares, on December 31, 2025.

There are no shares conferring special control rights.

15.3. Authorized capital

At the 9th Annual General Meeting on May 8, 2023, a resolution was passed to revoke the authorization granted to the Management Board at the 5th Annual General Meeting on July 9, 2019, to increase the company's share capital by up to EUR 9,000,000.00 against cash or non-cash contributions, in several tranches if necessary, within five years of entering the relevant amendment to the Articles of Association in the commercial register. At the same time, the Management Board was authorized, with the approval of the Supervisory Board, to increase the company's share capital by up to EUR 19,895,000.00 by issuing up to 19,895,000 new no-par value bearer shares against cash or non-cash contributions, if necessary in several tranches, within five years of the entry of the amendment to the Articles of Association resolved on May 8, 2023, in the commercial register. The new shares may be issued under exclusion of shareholders' subscription rights.

15.4. Conditional capital

At the Annual General Meeting on July 9, 2019, approved conditional capital was resolved, which expired on November 29, 2024. At the Annual General Meeting on May 6, 2025, the conditionally approved capital was resolved again. The Management Board is therefore authorized, with the approval of the Supervisory Board,

to increase the share capital by up to a nominal amount of EUR 3,000,000.00 within a maximum of five years from the entry of the authorized conditional capital in the commercial register by issuing up to 3,000,000 new shares against cash contributions. This authorized conditional capital is used to grant stock options to employees, executives, and members of the Management Board of the company, or an affiliated company, as part of a corporate stock option plan. The capital increase is earmarked and may only be carried out to the extent that holders of options from a stock option plan of the company exercise them.

15.5. 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 percent 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 Article 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 the amendments to the Articles of Association.

15.6. Other disclosures

As of December 31, 2025, FACC AG held no 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 its Management and Supervisory Boards in the event of a public takeover bid.

Agreements regarding the promissory note loan of 2019 and the syndicated loan financing of 2018 include change-of-control clauses. Lenders shall be entitled to exercise their right of termination if

- a person, or a group of persons acting in concert, acquires (direct or indirect) control over the guarantor (FACC AG), or
- the guarantor (FACC AG) no longer directly or indirectly holds or controls at least 75 percent of the capital shares or voting rights of the borrower (FACC Operations GmbH).

16. OUTLOOK

16.1. The civil aviation market

General economic conditions in the aviation industry

The aviation industry continued its growth course in 2025. According to IATA, global passenger volumes reached a new all-time high of approximately 5.2 billion. The average seat occupancy rate increased slightly to around 84 percent, while revenue passenger kilometers (RPK) grew by 5.8 percent relative to 2024. Traffic in the Asia-Pacific region once again experienced particularly strong growth, driven by the expansion of international routes. Current analyses by OEMs indicate that market demand for new and efficient aircraft will stand at approximately 43,420 by 2044.

Industry outlook for 2026 – rates will continue to rise, engine availability will drive aircraft production rates

The aviation industry is expected to further pursue its growth course in the 2026 financial year. Persistent demand growth throughout the industry will continue to go hand in hand with a dynamic environment. Despite the recent easing of tensions with regard to certain components, supply chains in the aviation sector will remain under pressure until at least 2027. Bottlenecks are currently prevalent among engine manufacturers in particular.

All FACC customers are reporting further increases in requirements for 2026.

16.2. FACC Group

Major projects in the 2026 financial year

At more than USD 6 billion, the long-term order book is at an all-time high, ensuring high capacity utilization in the coming years. This creates a solid foundation for the next few years, enabling FACC to effectively plan its future growth.

Although the limited availability of critical aircraft systems, particularly of engines, remains a key issue for the civil aviation industry, FACC's estimates for the 2026 financial year take these effects into account, with revenue planning based on conservative assumptions. FACC's management is closely monitoring developments in OEM demand and the global supply chain, and is able to respond quickly and flexibly if necessary. The general economic environment remained highly volatile in the 2025 financial year. High location costs in Europe, particularly in Austria, led to noticeable cost increases along the entire value chain. FACC was also affected by these inflationary effects. However, thanks to forward-looking cost management, ongoing efficiency improvement measures, and the systematic management of our procurement and pricing strategy, we were able to mitigate the negative impacts of these effects.

Positive effects of the CORE efficiency program

The Management Board approved an efficiency enhancement program in the fourth quarter of 2024. This program comprises five sub-projects, which together are expected to lead to a significant improvement in operating profitability (EBIT) and operating cash

flow by the end of 2026. The five sub-projects focus on the following:

- greater efficiency in production by leveraging learning curve effects and the associated productivity gains, process improvements, increased capacity utilization in Croatia, and further stabilization of the supply chain adjusting sales prices to partially offset the costs of inflation
- lower supplier prices by awarding new contracts, renegotiating existing contracts, shifting supply chains to more competitive regions, and continuing the C.O.M.P.E.T.E initiatives from previous years
- cutting general material and fixed costs by implementing a traditional savings program
- sustainable reduction of inventory levels through process improvements across the entire value chain with the support of an external consulting company
- All of the measures outlined above have contributed to improving earnings in 2025. However, major challenges remain, particularly in the area of material costs. Management is working intensively on restructuring the international supply chain in order to achieve the targets set in this area as well. The effectiveness of the CORE program is also demonstrated by the fact that, for the first time in several years, all three divisions generated positive operating results (EBIT).

CORE will continue to guide and shape FACC's activities in the 2026 financial year. FACC's overarching objective for 2026 is to achieve a further sustainable increase in operative profitability across all divisions and in free cash flow in order to further improve the Group's financial profile.

FACC's management continues to expect an increase in revenue in all business segments. The persistently high global demand for new aircraft remains unchanged from previous years. However, as a result, OEMs and downstream Tier 1 suppliers are still working to stabilize the supply chain situation. Notwithstanding improvements compared to recent years, FACC's management expects the supply chain to remain highly volatile in 2026. In addition, geopolitical tensions are exacerbating general uncertainty. FACC is responding to this complex situation with agile organizational and planning models to safeguard its ability to deliver to customers at all times, including through increased local-for-local production.

Advanced Air Mobility (AAM/drone business) is considered a business area that will continue to grow strongly. FACC is working with a total of four companies on AAM projects that are at various stages of development.

The aviation market is growing, and so is FACC. Over the next five years, FACC plans to

- invest approx. 300 million euros in locations, technologies, and projects;
- create around 1,500 new jobs worldwide.

These investments are necessary to ensure the company's long-term economic success. FACC is investing in the research and development of new technologies and materials in order to offer its customers new lightweight construction systems for the next generation of aircraft.

To secure the necessary capacity for existing business and rate ramp-ups, production sites will need to be expanded. A plant expansion project within the Aerostructures division will thus be launched in Austria in the 2026 financial year. The objective is to maximize the utilization of existing manufacturing plants, machinery, and testing capacities. The investment with a total volume of more than 100 million euros will be implemented between 2026 and 2029.

On the basis of general forecasts and currently available customer forecasts, FACC's management anticipates further revenue growth in the range of 5 to 15 percent for the 2026 financial year. FACC is closely monitoring developments in the supply chain in order to identify any negative changes in customer orders at an early stage. The operating result is expected to improve further due to anticipated economies of scale and the effects of the CORE efficiency enhancement program. The forecast is based on the assumption that the overall economic situation and geopolitical conditions will not deteriorate further in 2026, and that the planning data provided by FACC's customers remain unchanged.

Ried im Innkreis, March 9, 2026

Robert Machtlinger m.p.
Chairman of the Management Board

Florian Heindl m.p.
Member of the Management Board

Tongyu Xu m.p.
Member of the Management Board

Consolidated Profit and Loss Statement

for the period from 1 January 2025 to 31 December 2025

	Note	2024 EUR'000	2025 EUR'000
Revenues	8	884,523	984,405
COGS - Cost of Goods sold	9	-793,987	-879,208
Gross Profit		90,535	105,197
Research and technology expenses	10	-2,769	-2,489
Selling expenses	11	-8,627	-9,016
Administration expenses	12	-60,554	-59,060
Other operating income	13	13,559	9,845
Other operating expenses	14	-3,811	-2,152
Earnings before interest and taxes (EBIT)		28,332	42,325
Financing expenses	17	-26,634	-20,191
Other financial result	17	3,247	3,119
Financial result		-23,387	-17,072
Earnings before taxes (EBT)		4,945	25,253
Income taxes	18	1,410	-4,069
Earnings after taxes		6,355	21,184
Undiluted (=Diluted) earnings per share (in EUR)	19	0.14	0.46
Issued shares (in shares)		45,790,000	45,790,000

Consolidated Statement of Comprehensive Income

for the period from 1 January 2025 to 31 December 2025

	Note	2024 EUR'000	2025 EUR'000
Earnings after taxes		6,355	21,184
Currency translation differences from consolidation	32	182	-795
Cash flow hedges	32	-15,873	16,078
Cost of Hedging	32	1,140	-381
Tax effect	18	3,389	-3,610
Items subsequently reclassified to profit and loss		-11,163	11,292
Revaluation effects of termination benefits	34	53	858
Fair-Value measurement of securities (Fair Value through other comprehensive income)	32	10	2
Tax effect	18	-17	-182
Items not subsequently reclassified to profit and loss		46	678
Other comprehensive income after taxes		-11,117	11,970
Total comprehensive income		-4,762	33,154

Consolidated Statement of Financial Position

as of 31 December 2025

ASSETS			
	Note	31.12.2024 EUR'000	31.12.2025 EUR'000
Intangible assets	20	9,978	8,281
Property, plant and equipment	21	173,922	173,424
Receivables from customer-related engineering	22	24,518	26,418
Contract assets	23	7,045	5,856
Contract costs	24	50,456	38,348
Other financial assets	25	453	455
Other receivables	26	21,929	11,331
Deferred taxes	18	32,496	26,572
Non-current assets		320,797	290,686
Inventories	27	178,298	175,670
Customer-related engineering	28	23,393	22,120
Trade receivables	29	80,284	68,849
Receivables from related companies	55	24,038	33,699
Current tax income receivables		740	293
Derivative financial instruments	47	0	10,036
Other receivables and deferred items	30	23,969	27,726
Cash and cash equivalents	31	59,014	52,749
Current assets		389,735	391,142
Balance sheet total		710,532	681,828

EQUITY AND LIABILITIES

	Note	31.12.2024 EUR'000	31.12.2025 EUR'000
Share capital	32	45,790	45,790
Capital reserve	32	221,459	221,459
Currency translation reserve	32	-564	-1,359
Other reserves	32	-12,981	-216
Balance sheet loss	32	-37,862	-16,678
Equity		215,842	248,996
Promissory note loans	38	69,500	26,500
Lease liabilities	39	64,641	59,482
Other financial liabilities	38	52,081	41,265
Investment grants	33	5,263	4,383
Employee benefit obligations	34	11,819	10,818
Other liabilities	35	4,482	3,337
Deferred tax liabilities	18	273	105
Non-current liabilities		208,059	145,891
Promissory note loans	38	0	43,000
Lease liabilities	39	9,342	10,881
Other financial liabilities	38	104,256	87,415
Derivative financial instruments	47	17,872	1
Contract liabilities from customer-related engineering	36	24,562	12,111
Trade payables		99,070	89,947
Liabilities towards related companies	55	10,312	20,203
Investment grants	33	1,229	969
Income tax liabilities		343	1,481
Other provisions	37	2,287	3,725
Other liabilities and deferred items	40	17,358	17,207
Current liabilities		286,631	286,940
Balance sheet total		710,532	681,828

Consolidated Statement of Changes in Equity

for the period from 1 January 2025 to 31 December 2025

	Note	Attributable to shareholders of the parent company		
		Share capital	Capital reserves	Currency translation reserve
		EUR'000	EUR'000	EUR'000
As of 1 January 2024		45,790	221,459	-745
Earnings after taxes		0	0	0
Other comprehensive income after taxes	32	0	0	182
Total comprehensive income		0	0	182
As of 31 December 2024		45,790	221,459	-564
As of 1 January 2025		45,790	221,459	-564
Earnings after taxes		0	0	0
Other comprehensive income after taxes	32	0	0	-795
Total comprehensive income		0	0	-795
As of 31 December 2025		45,790	221,459	-1,359

Attributable to shareholders of the parent company						
			Other reserves			
	Securities - Fair Value through Other compre- hensive Income EUR'000	Cost of Hedging Reserve EUR'000	Cash flow hedges EUR'000	Reserves IAS 19 EUR'000	Balance sheet loss EUR'000	Total equity EUR'000
	-34	-2,761	4,917	-3,804	-44,218	220,603
	0	0	0	0	6,355	6,355
	8	878	-12,223	38	2	-11,117
	8	878	-12,223	38	6,355	-4,762
	-26	-1,883	-7,306	-3,766	-37,862	215,842
	-26	-1,883	-7,306	-3,766	-37,862	215,842
	0	0	0	0	21,184	21,184
	2	-293	12,380	677	0	11,970
	2	-293	12,380	677	21,184	33,154
	-24	-2,176	5,074	-3,090	-16,678	248,996

Consolidated Statement of Cash Flows

for the period from 1 January 2025 to 31 December 2025

	Note	2024 EUR'000	2025 EUR'000
Earnings before taxes (EBT)		4,945	25,253
plus financial result	17	23,387	17,072
Earnings before interest and taxes (EBIT)		28,332	42,325
plus/minus			
Depreciation, amortization and impairment	16	24,008	25,684
Amortization contract costs	24	14,561	12,756
Additions contract costs		-3,899	-648
Income from the reversal of investment grants	33	-121	-528
Change in employee benefit obligations	34	923	-143
Other non-cash expenses/income	41	4,052	2,546
Gross cash flow		67,856	81,993
Change in working capital			
Change in inventory and customer-related engineering	27, 28	-18,491	4,925
Change in trade receivables and other receivables, receivables from customer-related engineering and contract assets	26, 29, 30	-21,860	-1,589
Change in trade payables and other liabilities	35, 36, 40	3,343	-6,648
Change in current provisions	37	1,009	1,438
Cash flow from ongoing activities		31,857	80,119
Interest received	43	1,502	1,245
Taxes paid	43, 18	-1,339	-591
Cash flow from operating activities		32,020	80,773
Payments for the acquisition of non-current assets	20, 21, 44	-24,811	-22,094
Proceeds from the disposal of non-current assets	20, 21, 44	476	457
Cash flow from investing activities		-24,335	-21,637
Proceeds from interest-bearing liabilities	38	47,778	30,000
Repayments of interest-bearing liabilities	38	-58,698	-57,781
Outflows from leasing agreements	39	-10,570	-10,640
Interest paid	43	-24,443	-21,646
Cash flow from financing activities		-45,932	-60,066
Net changes in cash and cash equivalents		-38,247	-930
Cash and cash equivalents at the beginning of the period		98,644	59,014
Effects from foreign exchange rates		-1,383	-5,335
Cash and cash equivalents at the end of the period		59,014	52,749

Notes to the Consolidated Financial Statements

GENERAL INFORMATION

1. General information

The FACC Group (hereinafter referred to as FACC) with headquarters in 4910 Ried im Innkreis, Fischerstraße 9, Austria, is an 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 AVIC Cabin Systems Co., Limited (ACS) with headquarters in Hong Kong (Room 2202A, 22/F, Fairmont House, 8 Cotton Tree Drive, Admiralty, Hong Kong), company number 1394811.

2. Basis of preparation of the Consolidated Financial Statements

The Consolidated Financial Statements of FACC AG as of 31 December 2025 were prepared in accordance with the IFRS Accounting Standards, hereinafter abbreviated as "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 financial year begins on 1 January and ends on 31 December 2025. 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 financial year onwards (see Note 53 – Effects of new and amended standards). A description of the accounting and valuation principles is given in Note 52 – Accounting and valuation policies.

In general, the aviation industry is expected to continue to grow. Both Airbus and Boeing expect a steady upward trend in air traffic, especially in the Asian markets, underpinning the need for new aircraft. Boeing and Airbus, for example, expect average annual growth in passenger kilometers of 3.8 percent through 2041, with fleets expected to expand by 2.8 percent annually over the same period.

3. 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 2025 remained unchanged compared to 31 December 2024. The group comprises nine companies, including FACC AG.

FACC AG comprised the following subsidiaries on 31 December 2025 or 31 December 2024:

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.	Jakovlje, Croatia	2,717	EUR	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	20,420,530	INR	100%	Design & engineering
CoLT Prüf und Test GmbH	St. Martin, Austria	35,000	EUR	100%	Design & engineering

4. 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.

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

Interim results resulting from intra-group transactions are eliminated.

5. Currency conversion

Functional currency

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.

The items in the profit and loss statements of foreign consolidated companies are converted at average period rates.

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.

Modified closing rate method

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.

The following exchange rates were used for currency conversions:

Currency	Abbrev.	Closing rate		Average rate	
		31.12.2024	31.12.2025	2024	2025
Canadian dollar	CAD	1.4948	1.6088	1.4821	1.5787
Indian rupee	INR	88.9335	105.5965	90.5563	98.5239
Chinese renminbi yuan	CNY	7.5833	8.2262	7.7875	8.1185
US dollar	USD	1.0389	1.1750	1.0824	1.1300

6. Use of assumptions and estimates

The preparation of the Consolidated Financial Statements requires management to make use of certain estimates and assumptions

regarding the future, including climate-related opportunities and risks 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. Sensitivities are presented where significant estimates and discretionary scope exist, particularly in the case of contract fulfillment costs.

Estimates and underlying discretionary decisions are reviewed on an ongoing basis and are therefore in line with the FACC Group's risk reporting and climate commitments. Should estimates need to be adjusted, these will be recorded prospectively.

Impact of macroeconomic developments

Current macroeconomic developments may have an impact on accounting. This can have an impact in particular on the assessment of triggering events in accordance with IAS 36, assumptions for impairment tests in accordance with IAS 36 and IFRS 15, the calculation of provisions and the assessment of deferred taxes.

As an aviation supplier, the FACC Group is heavily dependent on orders from aircraft manufacturers, who in turn are dependent on airlines. This industry is currently experiencing a strong ramp-up.

In general, it should be noted that the aviation industry is expecting further growth. Both Airbus and Boeing anticipate a steady upward trend in flight volumes. Airbus expects average annual growth in passenger kilometers of 3.6 percent until 2044, with fleets likely to expand by approximately 4.4 percent annually over the same period.

Further information on the economic environment of the FACC Group can also be found in the Group Management Report.

Climate risks and the effects of climate change

The aim of sustainability management is to take into account the impact on the environment and society in all business processes and to reconcile the company's economic and ecological-social values. Sustainability management and the operating units work closely together on this. Key objectives are the reduction of fuel consumption through weight reduction, recycling management and the use of ecologically recyclable materials. These are long-term topics on which the FACC Group is continuously working. On the sales side, such topics are discussed with the largest customers and have an increasing influence on the new and further development of components and tooling. On the procurement side, these topics are relevant when selecting suppliers. In the production process, this topic affects new processes and methods in production. The topic of sustainability also flows into the product creation and development process.

Climate-related effects and their opportunities and risks are continuously evaluated within the FACC Group and taken into account in the consolidated financial statements.

In line with the European Sustainability Reporting Standards (ESRS), a materiality analysis was also carried out in which, among other things, impacts, risks and opportunities are assessed. This can be found in the sustainability reporting in the management report.

FACC is committed to climate protection and the goals of the Paris Climate Agreement. The sustainability targets have been integrated into the FACC Group strategy to ensure that the necessary measures are taken.

In order to avoid the risk of climate-related supply difficulties for certain raw materials, physical inventories are monitored on an ongoing basis and strategic reserves are built up as necessary.

Current developments and measures relating to environmental and climate protection are also continuously evaluated with regard to their impact on the FACC Group's balance sheet. The following aspects in particular were analyzed:

Useful life of assets

In order to implement FACC's sustainability goals, various investments in modern new buildings and the modernization of existing production facilities and buildings will be necessary. As part of the annual useful life analysis, no significant shortening of the useful life of existing facilities could be derived from today's perspective. Climate-related aspects (reduced CO2 emissions, etc.) are taken into account for new investments.

The average useful lives are specified in Note 52 – Accounting and valuation policies.

Impairment of assets

The issue of sustainability is reflected in particular in market growth and opportunities and is included in market expectations and customer forecasts. This topic is reflected in particular in assumptions for impairment tests in accordance with IAS 36 and IFRS 15.

In the corporate planning, which serves as the basis for the impairment tests, the climate-relevant opportunities and risks are taken into account on the basis of the best possible estimate based on the information available on the balance sheet date.

Climate-related aspects are also taken into account in cash flow planning, as these are based on customers' rate plans as well as market and customer forecasts, which of course also take into account customer expectations regarding climate change and its impact on the aviation industry. In addition, FACC also reflects climate-related uncertainties by holding regular market discussions with the division heads, summarizing market data and customer forecasts and estimating the planned rates per aircraft platform, which are then ultimately incorporated into the budget and medium-term planning.

When assessing the need for impairment, the company distinguishes between impairment tests in accordance with IFRS 15 for contract fulfillment costs, whereby tests are carried out at the level of individual or joint projects (same aircraft type, etc.), and impairment tests in accordance with IAS 36 at the level of cash-generating units (segments).

Based on current developments and measures, no indicators of potential impairment of existing assets at the level of the cash-generating units (segments) have been identified.

Contract costs were tested for impairment in the course of the financial year to the extent that there were indications of impairment, such as expected losses within the framework of multi-year planning. The assessment of the recoverability of development projects is based on the discounted cash flow method. The cash flows determined for future financial years at project level are discounted using the WACC and compared with the project-related capitalized costs. The result of the impairment test is heavily dependent on the expected cash surpluses of the respective projects, including the associated series deliveries, as well as the cost of capital rate used. With regard to these parameters, management makes estimates and forward-looking assumptions (in particular material and personnel cost trends) about the expected cash surpluses and cost of capital rates in the planning periods. For the years of specific development projects beyond the detailed planning period, the planning assumptions of the last planning year are extrapolated, limited by management estimates based on external market analyses and customer forecasts. The maximum term is 20 years. The estimates are made to the best of our knowledge and belief on a going concern basis, are based on past experience and take appropriate account of the remaining uncertainty. Changes in estimates regarding future incoming payments can have a significant impact on the value adjustment.

In order to show the effects of changing parameters in the planning calculation on the consolidated income statement, a sensitivity analysis is carried out for the impairment test in accordance with IFRS 15. The planning assumptions made for the impairment test and the sensitivity analysis are explained in Note 24 - Contract costs.

The **impairment of trade receivables, receivables from customer-related engineering and contract assets** (in accordance with IFRS 9) is determined on an individual basis, taking into account expected future incoming payments. In this context, estimation uncertainties result from changes in estimates of future incoming payments, which can lead to significant changes in the value adjustment. In addition, the forward-looking model of expected credit losses specified in IFRS 9 is used. This requires considerable discretionary decisions regarding the extent to which expected credit losses are influenced by changes in economic factors. This assessment is determined on the basis of weighted probabilities.

Provisions

Obligations relating to environmental and climate protection that would have required the recognition of a provision or the disclosure of a contingent liability could not be identified as at the reporting date. In connection with personnel-related provisions, non-financial targets relevant to remuneration, such as specific CO2 emissions, were assessed and taken into account in the corresponding bonus provisions.

Physical climate risks

Physical climate risks such as. Floods, heavy rainfall, storms, drought, heatwaves, cold spells and other extreme weather events as well as permanently high temperatures or chronic heatwaves are evaluated on an ongoing basis, but no provisions had to be recognized for these risks as at the reporting date.

Other assumptions on estimates and discretionary decisions

The effects of **inflation and interest rate increases** were taken into account in the measurement of **personnel-related provisions** and the interest rates used to discount future cash flows as part of the measurement of **non-current assets**. Please refer to the explanations in the respective notes.

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. Internal planning is based on management's assessments, which are based on external market analyses and customer forecasts. The present value increases if the ship sets are expected to be delivered earlier in the future. The present value decreases if the ship sets are expected to be delivered later in the future.

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.

"Slow-moving" **inventory** items, which are classified according to product groups, are subject to specific write-downs.

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 34 – Employee benefit obligations.

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 relate to the same economic context.

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 **counter-claims 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.

FACC was not involved in any **passive lawsuits** or exposed to threats of lawsuits in the financial year 2025. However, there are out-of-court negotiations with customers and suppliers, the outcome of which is subject to management estimates. These estimates are based on external legal letters and the assessment of the internal legal department.

7. 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 identified, which also represent the reportable segments:

- **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 2024				
Revenues	350,106	157,627	376,789	884,523
COGS - Cost of Goods sold	-312,699	-128,847	-352,441	-793,987
Earnings before interest and taxes (EBIT)	15,423	19,122	-6,212	28,332
Investments	12,161	2,556	10,093	24,811
Depreciation, amortization and impairment	-10,835	-4,940	-8,233	-24,008
Assets on 31 December 2024	284,395	115,292	310,845	710,532
<i>of which non-current assets 31 December 2024</i>	<i>121,983</i>	<i>37,806</i>	<i>106,129</i>	<i>265,919</i>

	Aerostructures EUR'000	Engines & Nacelles EUR'000	Cabin Interiors EUR'000	Total EUR'000
Financial year 2025				
Revenues	345,100	180,217	459,088	984,405
COGS - Cost of Goods sold	-317,785	-148,063	-413,360	-879,208
Earnings before interest and taxes (EBIT)	7,208	21,802	13,314	42,325
Investments	8,599	8,496	4,999	22,094
Depreciation, amortization and impairment	-11,403	-5,047	-9,234	-25,684
Assets on 31 December 2025	249,563	132,250	300,015	681,828
<i>of which non-current assets 31 December 2025</i>	<i>116,539</i>	<i>42,977</i>	<i>92,811</i>	<i>252,327</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 8 – Revenues.

For the financial year ending 31 December 2025, the Group generated revenues of kEUR 455,167 (previous year: kEUR 428,145 with two customer) with one external customer, of which exceeded 10

percent 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. One part is located in Croatia.

NOTES TO THE CONSOLIDATED PROFIT AND LOSS STATEMENT

8. 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:

	2024	2025	2024	2025	2024	2025	2024	2025
	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	315,737	327,705	133,675	156,359	354,292	422,938	803,704	907,002
Engineering and services	34,369	17,396	23,952	23,858	22,497	36,150	80,819	77,403
	350,106	345,100	157,627	180,217	376,789	459,088	884,523	984,405

	2024 EUR'000	2025 EUR'000
Germany	323,298	354,938
USA	138,850	149,717
Canada	145,931	139,899
Great Britain	102,215	116,795
China	50,175	79,031
Brazil	48,013	65,898
Other countries	76,042	78,127
	884,523	984,405

9. Cost of goods sold

	2024 EUR'000	2025 EUR'000
Material expenses	-540,522	-610,592
Personnel costs	-218,275	-229,931
Depreciation and amortization	-17,428	-18,940
General operating expenses	-17,761	-19,745
	-793,987	-879,208

10. Research and technology expenses

	2024 EUR'000	2025 EUR'000
Material expenses	-423	-420
Personnel costs	-1,796	-1,392
Depreciation and amortization	-272	-273
General operating expenses	-278	-404
	-2,769	-2,489

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.

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.

Expected future sales for performance obligations not fulfilled (or partially not fulfilled) in the reporting period under existing contracts amount to kEUR 0 (previous year: kEUR 0). These performance obligations refer to fixed orders of shipsets still to be delivered or services still to be provided.

11. Selling expenses

	2024 EUR'000	2025 EUR'000
Material expenses	-631	-1,191
Personnel costs	-5,869	-6,562
Depreciation and amortization	-137	-123
General operating expenses	-1,991	-1,140
	-8,627	-9,016

12. Administration expenses

	2024 EUR'000	2025 EUR'000
Material expenses	-1,601	-1,476
Personnel costs	-27,814	-29,768
Depreciation and amortization	-6,171	-6,349
Effects from foreign exchange rates	1,161	-2,122
General operating expenses	-26,129	-19,345
	-60,554	-59,060

The general operating expenses relate primarily to consulting and IT expenses.

13. Other operating income

	2024 EUR'000	2025 EUR'000
Income from public funding and tax-free grants	9,287	8,230
Income from claim settlements	649	189
Other	3,624	1,426
	13,559	9,845

Income from public funding and tax-free grants mainly relates to loss compensation and the research premium.

14. Other operating expenses

	2024 EUR'000	2025 EUR'000
Expenses from government grants	-825	-402
Derecognition of assets	-1,165	-160
Expenses arising in connection with damages	-224	0
Other	-1,596	-1,590
	-3,811	-2,152

15. Personnel costs

	2024 EUR'000	2025 EUR'000
Wages and salaries	-200,266	-211,138
Expenses for statutory, compulsory social security contributions and benefits	-45,464	-47,538
Expenses for termination benefits and benefits to corporate employee pension funds	-3,055	-3,250
Pensions	-1,146	-1,140
Other social expenses	-3,822	-4,587
	-253,754	-267,654

Expenses for termination benefits and benefits to corporate employee pension funds include payments to corporate employee pension funds of kEUR 2,533 (previous year: kEUR 2,405).

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

	31.12.2024 Number	31.12.2025 Number
Blue collar	2,475	2,536
White collar	1,375	1,371
	3,850	3,907
Of which in Austria	3,059	3,074
Of which abroad	791	833

16. Depreciation

	2024 EUR'000	2025 EUR'000
Intangible assets	-2,055	-2,048
Property, plant and equipment	-21,953	-23,636
	-24,008	-25,684

Please refer to Note 20 – Intangible assets and Note 21 – Property, plant and equipment for information on the development of depreciation and amortization.

17. Financial result

	2024 EUR'000	2025 EUR'000
Interest from bank deposits	1,350	920
Valuation of financial assets	11	11
Other financial income	141	315
Accumulation	1,745	1,873
Financing income	3,247	3,119
Interest expenses of bank loans	-13,077	-9,938
Interest expenses of lease liabilities	-2,138	-2,096
Discounting	-1,205	1,579
Other interest and similar expenses	-10,214	-9,736
Financing expenses	-26,634	-20,191
Financial result	-23,387	-17,072

Other interest and similar expenses primarily include factoring costs of kEUR 7,444 (previous year: kEUR 6,972), bank processing fees, loan commitment fees and guarantee and liability fees of kEUR 2,173 (previous year: kEUR 2,300).

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

31 December 2024	Operating result			Financial result		Net financial result EUR'000
	Valuation allowance EUR'000	Currency translation EUR'000	Valuation of derivative financial instruments EUR'000	Interest EUR'000	Result from fair value measurement EUR'000	
Financial assets at amortized costs	-837	-11,851	0	539	0	-12,148
Financial liabilities at amortized costs	0	15,992	0	-13,077	0	2,915
Fair-Value through profit and loss	0	0	-11,097	0	0	-11,097
Fair value through other comprehensive income	0	0	0	11	0	11
31 December 2025	Operating result			Financial result		
	Valuation allowance EUR'000	Currency translation EUR'000	Valuation of derivative financial instruments EUR'000	Interest EUR'000	Result from fair value measurement EUR'000	Net financial result EUR'000
Financial assets at amortized costs	-204	-7,881	0	3,453	0	-4,632
Financial liabilities at amortized costs	0	8,406	0	-9,938	0	-1,532
Fair-Value through profit and loss	0	0	12,209	0	0	12,209
Fair value through other comprehensive income	0	0	0	11	0	11

18. Income taxes and deferred tax assets/liabilities

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

	2024 EUR'000	2025 EUR'000
Current taxes ongoing	-1,044	-2,106
Deferred taxes	2,454	-1,963
	1,410	-4,069

The reasons for the difference between the Austrian corporate tax rate of 23 percent (previous year: 23 percent) valid in the 2025 financial year and the recorded group taxation rate are as follows:

	2024 EUR'000	2025 EUR'000
Income before taxes	4,945	25,253
Calculated income taxes 23%	-1,137	-5,808
Deviating foreign tax rates	-2	152
Change in loss carry forwards, deferred tax assets	-28	0
Tax-free income	1,650	1,901
Expenses that cannot be deducted for tax purposes	-208	-821
Minimum corporate tax and withholding taxes	0	-220
Tax effect from previous years	1,065	458
Change permanent difference	110	220
Other effects	-39	48
Reported income tax expense/income	1,410	-4,069
Effective tax rate in %	-28.5%	16.1%

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 23

percent applies. For foreign companies, deferred taxes are calculated on the basis of the corresponding country-specific tax rates. In the 2025 financial year, these ranged from 21 percent to 28 percent (previous year: 24.5 percent to 28 percent).

The Minimum Taxation Act (MinBestG), which will apply in Austria from 1 January 2024, transposes the OECD model rules and the EU Directive to ensure global minimum taxation for groups of companies (Pillar Two) into Austrian law. Numerous other countries have already introduced corresponding minimum taxation regulations in accordance with Pillar Two. Of the countries in which FACC subsidiaries are domiciled, only China and the USA have not yet taken specific implementation measures.

In accordance with the minimum taxation rules, the ultimate parent company of FACC AG and its subsidiaries is Aviation Industry Corporation of China Cabin Systems Co. Limited (AVIC), based in Hong Kong. The effects of the global minimum taxation rules on the FACC Group are evaluated on an ongoing basis. Based on a preliminary calculation for the 2025 financial year, the temporary safe harbor regulations will not have any material effects on the FACC Group's income taxes for the 2025 financial year. Current taxes from the minimum taxation provisions are recognized as current tax in accordance with IAS 12, whereby no corresponding taxes were to be recognized in the 2025 financial year.

The temporary, mandatory exemption from the recognition of deferred taxes resulting from the introduction of global minimum taxation was applied by the Group.

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

	2024			2025		
	Gross EUR'000	Tax EUR'000	Net EUR'000	Gross EUR'000	Tax EUR'000	Net EUR'000
Fair value measurement of securities	10	-2	8	2	0	2
Cash flow hedges	-15,873	3,651	-12,223	16,078	-3,698	12,380
Cost of Hedging	1,140	-262	878	-381	88	-293
Revaluation effects of termination benefits	53	-15	38	858	-181	677
	-14,670	3,372	-11,299	16,558	-3,792	12,765

Deferred taxes developed as follows:

	As of 31 December 2024					
	As of 01.01.2024	Change in profit and loss	Change in other comprehensive income	Net	Deferred tax assets	Deferred tax liabilities
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Intangible assets	-94	88	0	-6	0	-6
Property, plant and equipment	-12,573	-640	0	-13,213	0	-13,213
Receivables from customer-related engineering	-5,997	-273	0	-6,270	0	-6,270
Contract assets	-1,452	-168	0	-1,620	0	-1,620
Contract costs	-14,057	2,452	0	-11,605	0	-11,605
Other financial assets	329	146	-2	473	473	0
Trade receivables	0	12	0	12	12	0
Inventories	4,505	1,054	0	5,559	5,559	0
Other receivables and deferred items	-110	-2,986	0	-3,096	0	-3,096
Employee benefit obligations	702	58	-15	745	745	0
Provisions	-127	127	0	0	0	0
Trade payables	-1,111	2,035	0	923	923	0
Financial liabilities	16,483	681	0	17,164	17,164	0
Derivative financial instruments	0	722	3,389	4,110	4,110	0
Other assets (incl. cash and cash equivalents)	-380	428	0	48	48	0
Other liabilities	-177	321	0	144	144	0
Tax loss carry forwards	40,457	-1,601	0	38,856	38,856	0
Tax assets (liabilities) before netting	26,397	2,454	3,372	32,222	68,034	-35,811
Netting of taxes					-35,538	35,538
Net tax assets (liabilities)	26,397	2,454	3,372	32,222	32,496	-273

	As of 31 December 2025					
	As of 01.01.2025	Change in profit and loss	Change in other comprehensive income	Net	Deferred tax assets	Deferred tax liabilities
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Intangible assets	-6	34	0	28	28	0
Property, plant and equipment	-13,213	499	0	-12,714	0	-12,714
Receivables from customer-related engineering	-6,270	1,072	0	-5,198	0	-5,198
Contract assets	-1,620	274	0	-1,347	0	-1,347
Contract costs	-11,605	2,785	0	-8,820	0	-8,820
Other financial assets	473	59	0	532	532	0
Trade receivables	12	-12	0	0	0	0
Inventories	5,559	-1,522	0	4,037	4,037	0
Other receivables and deferred items	-3,096	1,751	0	-1,345	0	-1,345
Employee benefit obligations	745	-79	-181	484	484	0
Provisions	0		0	0	0	0
Trade payables	923	-1,729	0	-805	0	-805
Financial liabilities	17,164	-707	0	16,457	16,457	0
Derivative financial instruments	4,110	-500	-3,610	0	0	0
Other assets (incl. cash and cash equivalents)	48	-121	0	-74	0	-74
Other liabilities	144	-367	0	-223	0	-223
Tax loss carry forwards	38,856	-3,401	0	35,455	35,455	0
Tax assets (liabilities) before netting	32,222	-1,963	-3,792	26,467	56,993	-30,526
Netting of taxes					-30,421	30,421
Net tax assets (liabilities)	32,222	-1,963	-3,792	26,467	26,572	-105

The capitalized loss carryforwards originate from FACC Operations GmbH amounting to kEUR 154,151 as of 31 December 2025 (previous year: kEUR 160,487) and from FACC AG amounting to kEUR 6,265 (previous year: kEUR 8,453). Based on the tax planning calculation, deferred tax assets were recognized for all loss carryforwards in the 2025 financial year. The realization of the capitalized loss carryforwards can be considered sufficiently certain on the basis of medium-term planning.

No deferred tax assets were recognized for losses of foreign subsidiaries in the amount of kEUR 158 (previous year: kEUR 16).

As of 31 December 2025, there were temporary differences in connection with shares in subsidiaries ("outside basis differences") amounting to kEUR 4,079 (previous year: kEUR 3,687), 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.

19. Earnings per share

The number of shares issued as of the balance sheet date was 45,790,000, like in the previous year. Since no dilutive potential

ordinary shares were outstanding or treasury shares were held in the past financial year, the diluted earnings per share correspond to the undiluted earnings per share.

Earnings per share of EUR 0.46 (previous year: EUR 0.14) 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 reserves 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

20. Intangible assets

Intangible assets developed as follows:

	Software EUR'000	Rights EUR'000	Research and de- velopment costs EUR'000	Advance payment on intangible assets EUR'000	Total EUR'000
Historical costs					
As of 1 January 2024	26,778	9,337	2,919	0	31,431
Changes in foreign exchange rates	22	0	0	0	22
Additions	558	24	120	599	1,301
Transfers	206	0	0	-206	0
As of 31 December 2024	27,563	9,361	3,039	393	40,356
Changes in foreign exchange rates	-104	0	0	0	-104
Additions	61	0	16	300	377
Transfers	393	0	0	-393	0
As of 31 December 2025	27,914	9,361	3,055	300	40,630
Accumulated amortization and impairment					
As of 1 January 2024	25,024	2,558	724	0	28,306
Changes in foreign exchange rates	17	0	0	0	17
Amortization	943	671	440	0	2,055
As of 31 December 2024	25,985	3,229	1,164	0	30,378
Changes in foreign exchange rates	-78	0	0	0	-78
Amortization	1,019	666	363	0	2,048
As of 31 December 2025	26,926	3,895	1,527	0	32,348
Carrying amount on 31 December 2024	1,578	6,132	1,875	393	9,978
Carrying amount on 31 December 2025	988	5,465	1,527	300	8,281

Research and technology expenses totaled kEUR 59,984 in Financial year 2025 (previous year: kEUR 62,607) and comprised company-related research services amounting to kEUR 2,489 (previous year: kEUR 2,769) and customer-related development services amounting to kEUR 57,495 (previous year: kEUR 59,838).

Intangible assets do not include any assets with an indefinite useful life.

21. Property, plant and equipment

	Properties and buildings EUR'000	Technical facilities EUR'000	Operating and office equipment EUR'000	Facilities under construction EUR'000	Right of Use EUR'000	Total EUR'000
Historical costs						
As of 1 January 2024	96,078	127,116	46,782	16,804	113,686	400,466
Changes in foreign exchange rates	76	0	156	0	116	349
Additions	7,032	6,688	4,325	2,735	12,553	33,334
Disposals	-420	-1,705	-1,330	0	-420	-3,875
Transfers	11,536	2,986	398	-14,920	0	0
As of 31 December 2024	114,303	135,085	50,331	4,620	125,935	430,274
Changes in foreign exchange rates	-131	0	-446	0	-255	-833
Additions	1,512	4,613	2,362	7,946	7,221	23,654
Disposals	0	-3,770	-5,203	0	-1,367	-10,340
Transfers	0	1,693	1,086	-2,779	0	0
As of 31 December 2025	115,683	137,621	48,129	9,787	131,534	442,755
Accumulated amortization and impairment						
As of 1 January 2024	43,825	110,623	36,381	0	45,320	236,150
Changes in foreign exchange rates	0	0	152	0	76	228
Amortization	2,813	4,653	3,976	0	10,512	21,953
Disposals	0	-540	-1,189	0	-250	-1,979
As of 31 December 2024	46,638	114,736	39,320	0	55,658	256,352
Changes in foreign exchange rates	-29	0	-393	0	-125	-546
Amortization	3,531	5,310	3,868	0	10,927	23,636
Disposals	0	-3,632	-5,181	0	-1,298	-10,111
Transfers	-643	0	643	0	0	0
As of 31 December 2025	49,497	116,414	38,257	0	65,162	269,331
Carrying amount on 31 December 2024	67,665	20,349	11,011	4,620	70,277	173,922
Carrying amount on 31 December 2025	66,186	21,207	9,872	9,787	66,372	173,423

Property and buildings as well as rights of use include land values of properties in the amount of kEUR 7,489 (previous year: kEUR 7,558). Certain properties and buildings serve as collaterals for liabilities to financial institutions (see Note 38 – Financial liabilities).

The obligations to purchase property, plant and equipment amounted to kEUR 8,051 (previous year: kEUR 3,582) on the reporting date. In addition, there were internally approved acquisitions in the amount of kEUR 8,216 (previous year: kEUR 52,216) which have not yet given rise to contractual obligations.

As of 31 December 2025, the indications according to IAS 36 were reviewed with regards to the implementation of an impairment test for Cash-Generating-Units and climate-related aspects were also

included in the assessment. There was no requirement to perform an impairment test as of 31 December 2025.

22. Receivables from customer-related engineering

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

	31.12.2024 EUR'000	31.12.2025 EUR'000
As of 1 January	24,525	24,518
Changes in estimates	64	-76
Partial settlements	-3,143	-3,859
Valuation allowance	3	2
Interest	790	850
Additions	867	8,293
Currency translation	1,411	-3,309
	24,518	26,418

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

	31.12.2024 EUR'000	31.12.2025 EUR'000
As of 1 January	9	6
Additions	0	0
Reversal/use	-3	-2
	6	4

23. Contract assets

Contract assets can be broken down as follows:

	31.12.2024 EUR'000	31.12.2025 EUR'000
Development projects (period-related)	0	0
Payment to customers	7,045	5,856
	7,045	5,856

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

	31.12.2024 EUR'000	31.12.2025 EUR'000
As of 1 January	6,315	7,045
Changes in estimates	0	-272
Additions and Partial profit	205	0
Partial settlements	-114	-314
Interest	225	215
Currency translation	414	-818
	7,045	5,856

24. Contract costs

Contract costs can be broken down as follows:

	31.12.2024 EUR'000	31.12.2025 EUR'000
As of 1 January	61,118	50,456
Additions	3,899	648
Amortization contract costs	-14,561	-12,756
	50,456	38,348

Additions relate exclusively to ongoing development projects and do not result from contract initiation.

As of 31 December 2025, the indicators according to IFRS 15.101 regarding the performance of an impairment test were identified. This resulted in a requirement to perform an impairment test as of 31 December 2025. This did not result in any impairment requirement.

The sensitivity analysis had shown that, depending on the development of the key valuation parameters, no impairment losses would have resulted:

	31.12.2024 EUR'000	31.12.2025 EUR'000
Increase of discount rate by 100 basis points	-1	0
Increase personal costs by 50 percentage points	0	0
Increase material costs by 50 percentage points	0	-422

25. Other non-current financial assets

	31.12.2024 EUR'000	31.12.2025 EUR'000
Securities measured at fair value	382	384
Shares	71	71
	453	455

These shares refer to the 3.01 percent stake in Techno-Z Ried Technologiezentrum GmbH, Ried im Innkreis and the 18.0 percent stake in AIRlabs Austria GmbH, Graz.

26. Other receivables

	31.12.2024 EUR'000	31.12.2025 EUR'000
Other financial receivables	11,069	11,331
Other non-financial receivables	10,860	0
	21,929	11,331

The other financial receivables item mainly consists of deposits amounting to kEUR 11,331 (previous year: kEUR 11,069).

The item other non-financial receivables includes the receivable from the Fake President Incident.

In the 2015/2016 reporting period, an external fraud incident ("Fake President Incident") resulted in an unlawful outflow of cash and cash equivalents in the amount of KEUR 52,847 from the company. As a result of immediately initiated measures, an amount of KEUR 10,860 was frozen on recipient accounts in China. This amount was presented as a non-financial receivable in accordance with IAS 37.33.

Contrary to management's assessment, the amount has now been received in the short term. In March 2025, the funds attributable to FACC Operations GmbH were transferred to an account held by FACC Operations GmbH.

27. Inventories

	31.12.2024 EUR'000	31.12.2025 EUR'000
Raw, auxiliary and operating materials	99,523	102,933
Unfinished products	57,878	50,492
Finished products	20,269	21,699
Advance payments made	628	546
	178,298	175,670
Gross inventories	186,559	182,907
Valuation allowance	8,262	7,238
Net inventories	178,298	175,670

Inventories recorded as material expenses in the reporting period amount to kEUR 529,534 (previous year: kEUR 474,518).

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

28. Customer-related engineering

	31.12.2024 EUR'000	31.12.2025 EUR'000
As of 1 January	23,675	23,393
Additions	22,759	25,121
Disposals	-23,041	-26,394
	23,393	22,120

Customer-related engineering recorded as material expenses in the reporting period amounted to kEUR 15,746 (previous year: kEUR 12,692).

It is expected that customer-related engineering with a carrying amount of kEUR 3,661 (previous year: kEUR 3,661) will only be realized after a period of twelve months.

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

29. Trade Receivables

	31.12.2024 EUR'000	31.12.2025 EUR'000
Gross trade receivables	80,635	68,970
Less valuation allowance	-351	-122
Net trade receivables	80,284	68,849
Of which current	72,389	68,849
Of which non-current	7,895	0

FACC maintains a non-recourse assignment agreement with two financial institutions in connection with receivables from several customers. The sold receivables (factoring) are derecognized in accordance with IFRS 9. Trade receivables were sold to third parties in the amount of kEUR 153,856 (previous year: kEUR 134,098) as of the reporting date.

In the case of one contract, the associated risks and rewards are neither transferred in their entirety nor retained. The continuing involvement resulting from the maximum late payment interest costs amounts to kEUR 1,855 (previous year: kEUR 1,882). It was therefore not possible to derecognize the receivables sold or increase other current financial liabilities to this extent.

In the other contract, the economic power to dispose of the receivables is transferred to the buyer.

In general, the receivables sold relate to customers with a low probability of default, meaning that the loss from the default guarantee amounted to kEUR 25 (previous year: kEUR 26). The average payment behavior essentially corresponds to the contractual agreements, resulting in a loss from the late payment guarantee of kEUR 1,086 (previous year: kEUR 960).

The specific allowances of trade receivables developed as follows:

	31.12.2024 EUR'000	31.12.2025 EUR'000
As of 1 January	2,011	255
Additions	1,234	127
Disposal	-2,413	0
Use	-577	-382
	255	0

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:

	31.12.2024 EUR'000	31.12.2025 EUR'000
As of 1 January	81	96
Additions	26	33
Disposal	-11	-7
	96	122

The age structure of trade receivables and receivables from related companies (current and non-current) is as follows:

	31.12.2024 EUR'000	31.12.2025 EUR'000
Trade receivables and Receivables from related companies (current and non-current)	104,672	102,670
Of which not overdue and not impaired	71,799	86,885
Of which overdue and not impaired	30,299	15,784
1 to 60 days	24,741	10,641
61 to 150 days	2,610	3,107
151 to 365 days	801	1,001
More than 365 days	2,147	1,035
Of which impaired	2,574	0

The carrying amount of individually impaired trade receivables developed as follows:

	31.12.2024 EUR'000	31.12.2025 EUR'000
Carrying amount prior to impairment	2,828	0
Less valuation allowance	-255	0
Carrying amount after impairment	2,574	0

The overdue and unimpaired receivables relate to a number of independent customers who have not defaulted on payments in the recent past. Nothing suggests that the debtors will not be able to honour their payment obligations on the reporting date.

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.

30. Other receivables and deferred items

Other receivables and deferred items include:

	31.12.2024 EUR'000	31.12.2025 EUR'000
Other current financial assets		
Other	801	279
	801	279
Other current non-financial assets		
Other tax receivables (particularly VAT)	16,620	22,879
Deferred items	4,243	2,726
Other	2,306	1,842
	23,169	27,448
	23,969	27,726

Other receivables do not include any amounts of overdue receivables. Furthermore, no valuation allowances were recognized on these receivables.

31. Cash and cash equivalents

	31.12.2024 EUR'000	31.12.2025 EUR'000
Bank deposits	59,010	52,744
Cash balance	3	5
	59,014	52,749

32. Equity

The development of the Group's equity in the 2024 and 2025 financial years is shown in the Consolidated Statement of Changes in Equity.

The share capital of FACC AG amounted to kEUR 45,790 as at the balance sheet date of 31 December 2025, unchanged from the balance sheet date of 31 December 2024, and is fully paid in. It is divided into 45,790,000 no-par value shares of EUR 1 each.

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

Other reserves comprise the following items, all of which are recorded in other comprehensive income.

- **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
- **Cost of Hedging Reserve:** Forward component of hedging transactions; these hedging transactions are hedging transactions for transactions in foreign currencies (cash flow hedges).
- **Hedging reserve:** changes in value of hedging transactions; these hedging transactions are transactions in foreign currencies (cash flow hedges).

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 percent.

	31.12.2024 EUR'000	31.12.2025 EUR'000
Equity	215,842	248,996
Balance sheet total	710,532	681,828
Equity ratio in %	30.4%	36.5%

Loan agreements of the Group contain a financial covenant governing the equity ratio in the Group, non-compliance with which would trigger an early repayment of financial liabilities. All relevant capital requirements were met in the year under review, like in previous year (see also Note 38 – Financial liabilities).

Dividend per share

	Total EUR'000	Number of shares	Dividend per share
Dividend proposed for the financial year 2024 (Annual General Meeting of 6 May 2025)	0	45,790,000	0.00
Dividend proposed for the financial year 2025 (Annual General Meeting of 28 May 2026)	4,579	45,790,000	0.10

The basis for the proposal for the appropriation of profits for the financial year is the company's separate financial statements prepared in accordance with the provisions of the Austrian Commercial Code (UGB).

A dividend of EUR 0.10 will be proposed at the Annual General Meeting for 2025 financial year on 28 May 2026.

33. Investment grants

	31.12.2024 EUR'000	31.12.2025 EUR'000
Investment grants, current	1,229	969
Investment grants, non-current	5,263	4,383
	6,492	5,352

Some investment grants are tied to conditions that must be met over a certain period of time. These are essentially the requirements to leave the subsidized assets at the project location and not to sell them.

From the current perspective, the requirements are met and the reversal of the item is recognized in the income statement (cost of goods sold).

34. Employee benefit obligations

	31.12.2024 EUR'000	31.12.2025 EUR'000
Termination benefits	8,393	7,640
Anniversary bonuses	3,426	3,178
	11,819	10,818

In the 2026 financial year, the expected payments from termination benefit and anniversary bonus obligations towards employees will amount to kEUR 51 and kEUR 203, respectively.

Termination benefits

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

	31.12.2024 EUR'000	31.12.2025 EUR'000
As of 1 January	8,139	8,393
Service cost	269	275
Interest expenses	219	255
Termination benefit payments	-289	-550
Revaluation effects in the period	-53	-858
Other effects	108	125
	8,393	7,640
Duration in years	11.85	10.66

The revaluation effects are composed of the following factors:

	31.12.2024 EUR'000	31.12.2025 EUR'000
Changes in expected values	247	-264
Changes in underlying demographic assumptions	0	0
Changes in underlying financial assumptions	-300	-594
	-53	-858

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 technology expenses", "Selling expenses" as well as "Administration expenses".

The valuation is based on the following assumptions:

	31.12.2024	31.12.2025
Discounting interest rate	3.35%	4.12%
Salary increases	3.50%	3.50%
Fluctuations of salaried staff/employees	0%/0%	0%/0%
Retirement age for women/men	65/individually	65/individually
Life expectancy	AVÖ 2018-P	AVÖ 2018-P

An increase or decrease in the discount rate or salary increase of 0.5 percentage points would change the obligation as follows:

	Decrease by 0.5 percentage points EUR'000	Increase by 0.5 percentage points EUR'000
Discounting interest rate		
Change in obligations as of 31 December 2024	454	-420
Change in obligations as of 31 December 2025	377	-351
Salary increases		
Change in obligations as of 31 December 2024	-466	467
Change in obligations as of 31 December 2025	-355	377

Anniversary bonuses

	31.12.2024 EUR'000	31.12.2025 EUR'000
As of 1 January	2,810	3,426
Service cost	318	395
Interest expenses	101	110
Termination benefit payments	-50	0
Revaluation effects in the period	247	-753
	3,426	3,178

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

In the 2025 financial year, kEUR 3,420 (previous year: kEUR 3,244) were paid into defined contribution plans (pension fund and employee pension fund in Austria).

35. Other liabilities, non-current

	31.12.2024 EUR'000	31.12.2025 EUR'000
Other non-current financial liabilities		
Repayment agreements with customers and suppliers	4,482	3,337
	4,482	3,337
Other non-current non-financial liabilities		
Other	0	0
	0	0
	4,482	3,337

36. Contract liabilities from customer-related engineering

	31.12.2024 EUR'000	31.12.2025 EUR'000
As of 1 January	24,096	24,562
Increase	44,049	15,883
Reduction	-43,584	-28,334
	24,562	12,111

Contract liabilities relates to advance payments from customers for tool and development activities, the costs of which are capitalized as part of customer-related development services. The amount of kEUR 24,562 (previous year: kEUR 24,096) reported under contract liabilities at the beginning of the period was recognized as sales revenue of kEUR 28,334 (previous year: kEUR 43,584) in the 2025 financial year.

37. Other provisions

	As of 01.01.2024 EUR'000	Additions EUR'000	Use EUR'000	Disposal EUR'000	As of 31.12.2024 EUR'000	Term	
						Less than 1 year EUR'000	More than 1 year EUR'000
Provision for warranty claims	0	489	0	0	489	489	0
Provisions for legal and other disputes	32	280	0	-31	280	280	0
Other	1,246	1,414	-980	-163	1,518	1,518	0
	1,278	2,183	-980	-195	2,287	2,287	0

	As of 01.01.2025 EUR'000	Additions EUR'000	Use EUR'000	Disposal EUR'000	As of 31.12.2025 EUR'000	Term	
						Less than 1 year EUR'000	More than 1 year EUR'000
Provision for warranty claims	489	0	-481	-9	0	0	0
Provisions for legal and other disputes	280	0	-129	0	152	152	0
Other	1,518	3,760	-1,683	-21	3,574	3,574	0
	2,287	3,760	-2,292	-30	3,725	3,725	0

Accruals in connection with warranty claims are recognized exclusively for specific obligations. Other provisions mainly comprise personnel-related provisions.

38. Financial liabilities

	Carrying amount 31.12.2024 EUR'000	Remaining term				Nominal interest in %
		Less than 1 year 31.12.2024 EUR'000	1 to 2 years 31.12.2024 EUR'000	3 to 5 years 31.12.2024 EUR'000	More than 5 years 31.12.2024 EUR'000	
Promissory note loans						
Fixed interest rate (nominal capital: kEUR 29,000)	29,000	0	10,500	13,500	5,000	1.30 bis 5,473
Variable interest rate (nominal capital: kEUR 40,500)	40,500	0	32,500	8,000	0	6M Euribor + 1.30 to 2.50
Liabilities towards credit institutions						
Fixed interest rate	2,083	2,083	0	0	0	2.907
Variable interest rate	137,896	85,815	10,815	41,265	0	OeKB interest rate resp. Euribor + 1.70 to 3.19
Lease liabilities						
Fixed interest rate	58,784	8,762	9,739	15,762	24,522	3,015 to 4,828
Variable interest rate	15,199	580	589	1,827	12,202	6M Euribor + 1.95
Other interest-bearing liabilities	16,358	16,358	0	0	0	1.00 to 1,507
	299,820	113,598	64,143	80,355	41,723	

	Carrying amount 31.12.2025 EUR'000	Remaining term				Nominal interest in %
		Less than 1 year 31.12.2025 EUR'000	1 to 2 years 31.12.2025 EUR'000	3 to 5 years 31.12.2025 EUR'000	More than 5 years 31.12.2025 EUR'000	
Promissory note loans						
Fixed interest rate (nominal capital: kEUR 29,000)	29,000	10,500	1,500	12,000	5,000	1.30 bis 5,473
Variable interest rate (nominal capital: kEUR 40,500)	40,500	32,500	5,000	3,000	0	6M Euribor + 1.30 to 2.50
Liabilities towards credit institutions						
Fixed interest rate	0	0	0	0	0	
Variable interest rate	122,081	80,815	41,265	0	0	OeKB interest rate resp. Euribor + 1.70 to 3.19
Lease liabilities						
Fixed interest rate	55,744	10,292	9,351	12,871	23,230	3,015 to 4,828
Variable interest rate	14,619	589	599	1,858	11,572	6M Euribor + 1.95
Other interest-bearing liabilities	6,600	6,600	0	0	0	1.00 to 1,507
	268,544	141,297	57,715	29,729	39,803	

Accrued interest expenses are included in current financial liabilities.

Certain liabilities to financial institutions are secured by mortgages on company real estate and state guarantees for loans. The export credit under the Kontrollbank scheme is secured by export receivables in the amount of 120 percent of the outstanding credit agreement. The guarantee for certain liabilities to financial institutions in connection with land and buildings amounted to kEUR 15,966 (previous year: kEUR 15,966).

Promissory note loans

On 31 July 2019, promissory note loans totaling kEUR 70,000 were issued. The individual tranches are subject to both fixed and variable interest rates and are due for repayment after five, seven and ten years. The financing agreements contain a clause stipulating an interest rate increase of 50 basis points in the event that the net financial debt/EBITDA ratio exceeds 3.75. This interest rate increase clause has been in force since the financial year 2020 and will no longer apply from the 2024 financial year. The ratio is tested annually. The creditor has no right of termination.

On 31 July 2024, promissory note totaling kEUR 24,000 were issued to partially refinance the expired promissory note loans (in the amount of kEUR 24,500) from 31 July 2019. The individual tranches are subject to both fixed and variable interest rates and are due for repayment after five, seven and ten years. The financing agreement contains an interest reduction clause of 25 basis points if the net financial debt/EBITDA ratio falls below 3.5. In addition, creditors have a right of termination if the equity ratio is not at least 20 percent. The key figures are tested annually as on 31 December. The financial covenants for this promissory note loan were complied with as at 31 December 2025. The Group expects that the covenants to be met annually will also be met in the next 12 months after the reporting date.

As of the balance sheet date 31 December 2025, the promissory note loan from 31 July 2019, was recorded at kEUR 45,500 (previous year: kEUR 45,500), and the promissory note loan from 31 July 2024, was recorded at kEUR 24,000 (previous year: kEUR 24,000).

Liabilities towards credit institutions

Syndicated loan

The syndicated loan of kEUR 225,000, originally concluded on 29 August 2018, has been amended several times since then and was most recently adjusted again with effect from 23 October 2025, with five participating banks. As of the balance sheet date of 31 December 2025, there are four facilities with different purposes. Three of these facilities relate to OeKB programs. An OeKB equity financing facility with an original amount of kEUR 36,000 and an OeKB export investment facility with an original amount of kEUR 33,526 were concluded in the amendment dated 17 February 2023. They have a term until 31 December 2027. The OeKB Kontrollbank refinancing facility (KRR) in the amount of kEUR 50,000 was extended by one year until 17 February 2027, with effect from 23 October 2025. An OeKB Exportinvest facility originally amounting to kEUR 25,000, which was part of a syndicated loan originally concluded on 29 August 2018, was repaid on 30 June 2025. The revolving credit line with a volume of kEUR 95,500 was extended by one year until 17 February 2027, effective 23 October 2025. FACC AG and FACC Solutions Croatia d.o.o. continue to act as guarantors. With the exception of the control bank refinancing facility and the equity financing, which are secured by receivables, all facilities are unsecured.

The following adjustments were made to the financial covenant for syndicated loan:

	31.12.2025	31.12.2026
Net Financial Debt/EBITDA	≤ 3.75	≤ 3.50
Equity ratio in %	25%	25%

The financial covenants for syndicated loan of the respective year shall also apply as of 30 June of the respective year (e.g. the value of 3.50 applies on 30 June 2026 and on 31 December 2026), and will be tested every six months. The creditors have a right of termination in the event that the financial ratios are exceeded.

For all relevant reporting dates after 31 December 2025, a net financial debt/EBITDA ratio of 3.5 and an equity ratio of at least 25 percent are required.

The Group expects that the covenants to be fulfilled every six months will be met within 12 months of the reporting date.

As of year-end 2025, the revolving credit line was utilized at kEUR 20,000 (previous year: kEUR 25,000), the Kontrollbank refinancing framework at kEUR 50,000 (previous year: kEUR 50,000), the investment financing at kEUR 19,200 (previous year: kEUR 24,800), and the export investment at kEUR 17,881 (previous year: kEUR 25,179).

The syndicated loan matures in mid-February 2027 and December 2027. Based on the current business development, the FACC

Group's plans and the regular discussions with banks, there are no indications that refinancing with existing financing partners will not be possible.

Loans Outside the Syndicated Loan

On 17 September 2024, a loan amounting to kEUR 15,000 was concluded and fully utilized. The tranche is variable and is due for repayment after three years. The financing agreement contains an interest reduction clause of 30 basis points if the net financial debt/EBITDA ratio falls below 3.0 and an interest increase clause if the net financial debt/EBITDA ratio exceeds 4.5.

As of year-end 2025, this bilateral loan was utilized at kEUR 15,000 (previous year: kEUR 15,000).

39. Lease liabilities

The right-of-use assets recognized in accordance with IFRS 16 are reported in the balance sheet under property, plant and equipment (see Note 21 - Property, plant and equipment).

Lease liabilities are reported in the balance sheet as a separate item under current and non-current liabilities.

The carrying amounts of the rights of use developed as follows in the 2025 financial year:

	Properties and buildings EUR'000	Technical facilities and vehicles EUR'000	IT EUR'000	Total EUR'000
As of 1 January 2024	57,998	6,871	3,497	68,366
Changes in foreign exchange rates	40	0	0	40
Additions	9,354	802	2,398	12,553
Disposals	-101	-70	0	-170
Depreciation and amortization	-5,896	-2,372	-2,244	-10,512
As of 31 December 2024	61,395	5,231	3,651	70,277
Changes in foreign exchange rates	-130	0	0	-130
Additions	4,129	524	2,568	7,221
Disposals	0	-69	0	-69
Depreciation and amortization	-6,200	-2,374	-2,352	-10,927
As of 31 December 2025	59,194	3,312	3,866	66,372

The consolidated income statement includes the following amounts from leases:

	31.12.2024 EUR'000	31.12.2025 EUR'000
Depreciation expense of right-of-use assets	-10,512	-10,927
Interest expense on lease liabilities	-2,138	-2,096
Expense relating to short-term leases (included in cost of sales)	-1,968	-2,452
Expense relating leases of low-value assets	-67	-464
Expenses for variable lease payments not included in the calculation of lease liabilities	0	0
Income from subleasing of usage rights	0	0
Total amount recognized in profit or loss	-14,685	-15,939

The total cash outflows for leases amounted to kEUR 13,556 in the 2025 financial year (previous year: kEUR 12,609).

The FACC Group acts in particular as a lessee for production facilities and warehouses, machinery, forklift trucks, IT equipment and vehicles.

Low-value leases relate in particular to the IT category.

The FACC Group has no leases with renewal options.

40. Other current liabilities and deferred items

	31.12.2024 EUR'000	31.12.2025 EUR'000
Other current financial liabilities		
Liabilities to employees/salaried staff	10,111	10,005
Other	139	154
	10,251	10,159
Other current non-financial liabilities		
Liabilities from social security	5,139	5,437
Liabilities to tax authorities	528	487
Deferred items	968	637
Other	473	486
	7,107	7,048
	17,358	17,207

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.

41. 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:

	2024 EUR'000	2025 EUR'000
Effects from foreign exchange rates	-5,604	15,847
Measurement of derivatives in earnings before interest and tax (hedging)	11,097	-12,209
Recognition of deferred tax assets/liabilities	-73	-244
Impairment on inventories	249	-1,024
Valuation allowance of receivables	-1,745	-231
Changes in estimates of receivables from customer-related engineering and contract assets	64	349
Remaining other non-cash expenses/income	64	59
	4,052	2,546

	Cash change		Non-cash changes		Carrying amount 31.12.2024 EUR'000
	Carrying amount 01.01.2024 EUR'000	Change EUR'000	Lease liabilities EUR'000	Other EUR'000	
Promissory note loans (current and non-current)	70,000	-500	0	0	69,500
Other financial liabilities (current and non-current)	165,770	-9,433	0	0	156,337
Lease liabilities (current and non-current)	72,135	-10,570	12,383	35	73,983
	307,905	-20,503	12,383	35	299,820

	Cash change		Non-cash changes		Carrying amount 31.12.2025 EUR'000
	Carrying amount 01.01.2025 EUR'000	Change EUR'000	Lease liabilities EUR'000	Other EUR'000	
Promissory note loans (current and non-current)	69,500	0	0	0	69,500
Other financial liabilities (current and non-current)	156,337	-27,656	0	0	128,681
Lease liabilities (current and non-current)	73,983	-10,640	7,152	-132	70,363
	299,820	-38,296	7,152	-132	268,544

42. Factoring

The derecognition of receivables in connection with factoring programs reduces the level of trade receivables in the operating cash flow. Please also see Note 29 – Trade receivables

43. Interest/dividend received or interest/taxes/dividends paid

FACC presents the item "Interest received" in the cash flow from operating activities. "Interest paid" is shown in the cash flow from financing activities.

Taxes paid are shown in the cash flow from operating activities.

Dividends paid or received are shown in the cash flow from financing activities.

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

In the course of the 2025 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 2,559 in the 2025 financial year (previous year: decrease of kEUR 186).

NOTES TO FINANCIAL INSTRUMENTS

45. 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
Trade receivables (within factoring)	Carrying amounts as a best estimate of fair values	Not-applicable	Not-applicable
Financial instruments not measured at fair value			
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 financial year.

46. Classifications and fair values

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

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

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 31.12.2024 EUR'000	Fair value			
		Total	Level 1	Level 2	Level 3
		31.12.2024 EUR'000	31.12.2024 EUR'000	31.12.2024 EUR'000	31.12.2024 EUR'000
FINANCIAL ASSETS					
Valuation at amortized cost					
Receivables from customer-related engineering	24,518				
Other financial receivables	11,069				
Trade receivables	80,284				
Receivables from related companies, current	24,038				
Other current financial assets	801				
Cash and cash equivalents	59,014				
	199,722				
Fair value through other comprehensive income					
Other financial assets – securities (quoted)	382	382	382		
	382				
Fair value through profit and loss					
Other financial assets – securities (unquoted)	71	123		123	
	71				
FINANCIAL LIABILITIES					
Valuation at amortized cost					
Promissory note loans (current and non-current)	69,500	69,282		69,282	
Other financial liabilities (current and non-current)	156,337	157,747			157,747
Trade payables	99,070				
Liabilities towards related companies	10,312				
Other non-current financial liabilities	4,482				
Other current financial liabilities	10,251				
	374,514				
Fair value through profit and loss					
Derivative financial instruments	17,872	17,872		17,872	
	17,872				

	Carrying amount 31.12.2025 EUR'000	Fair value			
		Total	Level 1	Level 2	Level 3
		31.12.2025 EUR'000	31.12.2025 EUR'000	31.12.2025 EUR'000	31.12.2025 EUR'000
FINANCIAL ASSETS					
Valuation at amortized cost					
Receivables from customer-related engineering	26,418				
Other financial receivables	11,331				
Trade receivables	68,849				
Receivables from related companies, current	33,699				
Other current financial assets	279				
Cash and cash equivalents	52,749				
	193,326				
Fair value through other comprehensive income					
Other financial assets – securities (quoted)	384	384	384		
	384				
Fair value through profit and loss					
Other financial assets – securities (unquoted)	71	60		60	
Derivative financial instruments	10,036	10,036		10,036	
	10,107				
FINANCIAL LIABILITIES					
Valuation at amortized cost					
Promissory note loans (current and non-current)	69,500	69,808		69,808	
Other financial liabilities (current and non-current)	128,681	129,987			129,987
Trade payables	89,947				
Liabilities towards related companies	20,203				
Other non-current financial liabilities	3,337				
Other current financial liabilities	10,159				
	333,937				
Fair value through profit and loss					
Derivative financial instruments	1	1		1	
	1				

For receivables from customer-related engineering, trade receivables, receivables from related companies, current, other current financial assets, cash and cash equivalents, trade payables, liabilities towards related companies and other current financial liabilities, the carrying amount is only an approximation of fair value.

47. Derivative financial instruments and hedge accounting

The hedging strategies employed by the Group's Accounting & Treasury 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 Accounting & Treasury department pursues the objective of hedging at least 80

percent of expected net cash flows in USD (from revenues and purchases of raw materials) for the next twelve months (on a rolling monthly basis). 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.

Forward exchange transactions qualifying as hedges are recorded as cash flow hedges according to IFRS 9.

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.

To hedge the currency risk, the spot element of the forward exchange transactions concluded for hedging purposes is designated, while the forward elements are excluded from designation as hedging instruments and recognized separately as cost of hedging and reported in a separate reserve in equity. As the underlying values of the hedged item and the hedging instrument always match, the hedge ratio is always 1:1, i.e. the designated quantity or the designated volume of the hedging instrument corresponds to the designated quantity or the designated volume of the hedged item.

Furthermore, forward exchange contracts in US dollars (volume: kUSD 30,000; previous year: kUSD 25,000) were concluded during the year for the purpose of hedging the exchange rate of receivables from customer-related engineering. These transactions, however, were matured by the end of the balance sheet date.

Derivative financial instruments with a positive market value

	Carrying amount 31.12.2024 EUR'000	Remaining term	
		Less than 1 year 31.12.2024 EUR'000	More than 1 year 31.12.2024 EUR'000
Forward exchange transactions with positive fair value	0	0	0

	Carrying amount 31.12.2025 EUR'000	Remaining term	
		Less than 1 year 31.12.2025 EUR'000	More than 1 year 31.12.2025 EUR'000
Forward exchange transactions with positive fair value	10,036	10,036	0

Derivative financial instruments with a negative market value

	Carrying amount 31.12.2024 EUR'000	Remaining term	
		Less than 1 year 31.12.2024 EUR'000	More than 1 year 31.12.2024 EUR'000
Forward exchange transactions with negative fair value	17,872	17,872	0

	Carrying amount 31.12.2025 EUR'000	Remaining term	
		Less than 1 year 31.12.2025 EUR'000	More than 1 year 31.12.2025 EUR'000
Forward exchange transactions with negative fair value	1	1	0

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 31 December 2024: Foreign currency derivatives	USD	405,000	405,000	0	0
As of 31 December 2025: Foreign currency derivatives	USD	480,000	480,000	0	0

The following tables provide information on the forward exchange transactions designated as hedging instruments at the end of the reporting period:

Cash flow hedges (OCI) 31 December 2024	Instrument	Average exchange rate	Notional value in	Notional value in	Change in fair value used for calcu- lating hedge ineffectiveness
			foreign currency	local currency	
			USD'000	EUR'000	EUR'000
Sell USD, buy EUR	FX Forward	1.0978	300,000	273,283	-11,934

Cash flow hedges (OCI) 31 December 2025	Instrument	Average exchange rate	Notional value in	Notional value in	Change in fair value used for calcu- lating hedge ineffectiveness
			foreign currency	local currency	
			USD'000	EUR'000	EUR'000
Sell USD, buy EUR	FX Forward	1.1724	360,000	307,065	3,764

	Change in value used for calculating hedge ineffectiveness		Carrying amount cash flow hedge reserve	
	31.12.2024 EUR'000	31.12.2025 EUR'000	31.12.2024 EUR'000	31.12.2025 EUR'000
Sell USD, buy EUR	11,934	-3,764	-9,189	2,898

The following table shows the effectiveness of the hedging relationships, and the amounts either reclassified from the reserve for cash flow hedges to profit or loss or directly recognized in profit or loss:

	Current period hedging gains (losses) recog- nized in OCI		Amount reclassified to profit and loss		Line item in profit and loss in which re- classification adjustment is included
	31.12.2024 EUR'000	31.12.2025 EUR'000	31.12.2024 EUR'000	31.12.2025 EUR'000	
Sell USD, buy EUR	-11,934	3,764	-11,097	12,209	Revenues

Due to 100 percent effectiveness, the change in value for calculating the ineffectiveness of the hedging relationship is identical for the hedged item and the hedging transaction.

FINANCIAL RISK

48. Principles of financial risk management and hedging guidelines

In the course of the FACC Group's international business activities, various financial risks and opportunities arise that may affect the Group's earnings, financial and asset position. The main potential risks include market price, credit and liquidity risks. The aim of financial risk management is to identify potential adverse effects from these factors at an early stage and to counter them with suitable measures. At the same time, financial opportunities that arise are exploited in a targeted manner to ensure the long-term stability and competitiveness of the company.

The principles and responsibilities for the management and control of financial risks are defined by the entire Management Board and continuously monitored by the Supervisory Board as well as by internal control mechanisms. The FACC Group has defined internal guidelines for this purpose, which regulate the risk management processes and the use of financial instruments. The separation of functions between trading and settlement is a key component of the control mechanisms. Financial transactions are carried out exclusively to hedge existing risks and are strictly based on the actual requirements of the operating business. Speculative transactions are generally excluded.

The Group's Accounting & Treasury department identifies, assesses and manages financial risks in close coordination with the operating units. The measures taken are regularly adapted to changing market conditions to ensure their effectiveness. Financial instruments and hedge accounting are used specifically to hedge financial risks in accordance with the applicable accounting standards. Hedging transactions are concluded on the basis of defined internal guidelines and regularly reviewed with regard to their effectiveness and efficiency.

Forward exchange transactions in particular are used to limit currency risks from foreign currency transactions. The scope of hedging transactions is continuously adjusted to actual requirements in order to ensure effective economic hedging. All financial transactions are carried out exclusively with counterparties that meet internal standards. Collaboration with these partners is based on standardized guidelines and is subject to ongoing monitoring.

Counterparty risk is also included to hedge financial risks, as payment defaults on the part of business partners could impair the company's financial stability. To minimize this risk, transactions are only carried out with audited and approved counterparties within defined limits.

49. Market price risk

Currency risk

The majority of sales revenues of the FACC Group companies are generated in US dollars (USD), while a significant portion of expenses are incurred in euros (EUR). This discrepancy between cash flows in different currencies creates a foreign currency risk that can have a direct impact on the FACC Group's operating business as well as its net assets, financial position and results of operations. Natural hedging, which results from the partial offsetting of

income and expenses in USD and EUR, reduces this risk but does not completely eliminate it.

The FACC Group uses derivative financial instruments such as forward exchange contracts to limit exchange rate risks, particularly in relation to the USD/EUR exchange rate. These instruments are used to hedge future cash flows in foreign currencies and are intended to reduce the potential negative effects of exchange rate fluctuations on earnings before interest and taxes (EBIT) and the Group's financial position.

The following overview shows the composition of receivables, other assets and liabilities by currency. Currency risks are analyzed and measured on this basis.

	31.12.2024 EUR'000	31.12.2025 EUR'000
Receivables from customer-related engineering	24,518	26,418
Other financial assets	453	455
Receivables from related companies, non-current	0	0
Other financial receivables	11,069	11,331
Trade receivables	80,284	68,849
Receivables from related companies, current	24,038	33,699
Other current financial assets	801	279
Cash and cash equivalents	59,014	52,749
	200,176	193,781
US dollar	170,497	142,258
EUR	29,678	51,523
	200,176	193,781

	31.12.2024 EUR'000	31.12.2025 EUR'000
Promissory note loans (non-current and current)	69,500	69,500
Lease liabilities (non-current and current)	73,983	70,363
Other financial liabilities (current and non-current)	156,337	128,681
Employee benefit obligations	11,819	10,818
Contract liabilities from customer-related engineering	24,562	12,111
Trade payables	99,070	89,947
Liabilities towards related companies	10,312	20,203
Other non-current financial liabilities	4,482	3,337
Other current financial liabilities	10,251	10,159
	460,316	415,118
US dollar	122,217	102,514
EUR	338,098	312,605
	460,316	415,118

The sensitivity of equity also takes into account measurement effects from the cash flow hedges for foreign currency risks recognized in other comprehensive income. Translation differences resulting from the translation of financial statements in currencies other than the Group currency are not affected by the analyses.

Sensitivity analyses were carried out to assess currency risks in accordance with IFRS 7 requirements. All monetary financial instruments were considered if they are reported in a currency other than the functional currency of the respective Group company. This applies in particular to receivables, liabilities, cash, cash equivalents and foreign currency derivatives.

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

Revaluation (+)/devaluation (-)	5% devaluation		5% revaluation	
	31.12.2024 EUR'000	31.12.2025 EUR'000	31.12.2024 EUR'000	31.12.2025 EUR'000
Changes in Consolidated Profit and Loss Statement	878	1,847	-795	-1,671
Changes in comprehensive income/loss	-15,450	-16,229	13,980	14,708
Changes to equity	-14,572	-14,382	13,185	13,037

Interest rate risk

The interest rate risk results from the average term of the financing and the respective interest rate structure. In the case of fixed-interest financing, the risk lies in falling interest rates, while in the case of variable-interest financing, the risk arises from rising interest rates.

An increase in the interest rate level by 100 basis points would have resulted in a reduction in earnings after taxes and equity of kEUR 2,422 (previous year: kEUR 2,275). A reduction in the interest rate level by 100 basis points would have resulted in an increase in earnings after taxes and equity of kEUR 2,422 (previous year: kEUR 2,275).

The sensitivity calculation is based on the variable-interest assets and liabilities.

The Group uses various financing instruments (syndicated loans and promissory note loans) for financing purposes. The facilities under the syndicated loan have different collateral, terms and repayment structures, which also allows the interest rate risk to be managed. In the case of promissory note loans, the interest rate risk is managed through a combination of variable and fixed interest rates and different maturities.

50. 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 cash and cash equivalents 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.

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

On the balance sheet date 31 December 2025, FACC had unused credit lines amounting to kEUR 75,500 (previous year: kEUR 70,500) at its disposal.

Receivables amounting to kUSD 203,100 (previous year: kUSD 163,100) can be sold as part of the factoring programs. As at 31.12.2025, receivables in the amount of kUSD 180,781 (previous year: kUSD 139,315) were sold.

	Carrying amount 31.12.2024 EUR'000	Total 31.12.2024 EUR'000	Payment obligations		
			Less than 1 year 31.12.2024 EUR'000	1 to 5 years 31.12.2024 EUR'000	More than 5 years 31.12.2024 EUR'000
Valuation at amortized cost					
Promissory note loans	69,500	78,912	2,919	70,445	5,547
Liabilities towards credit institutions	139,979	149,853	92,634	57,218	0
Lease liabilities	73,983	80,327	10,492	27,748	42,087
Other interest-bearing liabilities	16,358	16,358	16,358	0	0
	299,820	325,450	122,403	155,412	47,634
Trade payables	99,070	99,070	99,070	0	0
Liabilities towards related companies	10,312	10,312	10,312	0	0
Other non-current financial liabilities	4,482	4,482	638	3,613	231
Other current financial liabilities	10,251	10,251	10,251	0	0
	423,934	449,565	242,674	159,025	47,866
Fair value through profit and loss					
Derivative financial instruments	17,872	17,872	17,872	0	0
Carrying amounts/contractual cash flows	441,806	467,436	260,546	159,025	47,866

	Carrying amount 31.12.2025 EUR'000	Total 31.12.2025 EUR'000	Payment obligations		
			Less than 1 year 31.12.2025 EUR'000	1 to 5 years 31.12.2025 EUR'000	More than 5 years 31.12.2025 EUR'000
Valuation at amortized cost					
Promissory note loans	69,500	75,708	45,502	24,932	5,274
Liabilities towards credit institutions	122,081	127,199	84,031	43,169	0
Lease liabilities	70,363	74,242	11,885	24,125	38,232
Other interest-bearing liabilities	6,600	6,600	6,600	0	0
	268,544	283,749	148,018	92,226	43,506
Trade payables	89,947	89,947	89,947	0	0
Liabilities towards related companies	20,203	20,203	20,203	0	0
Other non-current financial liabilities	3,337	3,337	572	2,534	231
Other current financial liabilities	10,159	10,159	10,159	0	0
	392,189	407,394	268,897	94,761	43,737
Fair value through profit and loss					
Derivative financial instruments	1	1	1	0	0
Carrying amounts/contractual cash flows	392,190	407,396	268,899	94,761	43,737

The interest payments on variable rate loans in the table above reflect the market conditions for forward interest rates at the end of the 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.

The high proportion of current financial liabilities to banks mainly relates to two facilities from the syndicated loan, which have to be redrawn on an ongoing basis due to the rules and regulations. Based on the current business development, the FACC Group's plans and the regular discussions with banks, there are no indications that refinancing with existing financing partners will not be carried out.

51. Credit risks

As part of its business activities in the aviation industry, the Group mainly serves OEMs operating on the market. Notwithstanding diversification, FACC AG is exposed to a certain concentration risk in the credit market due to the limited number of aircraft manufacturers. In the 2025 financial year, the largest customer accounted for a receivables volume of kEUR 127,201. Due to the low probability of default and the option to sell selected receivables using factoring programs, this risk is significantly reduced.

There is also a general risk of default on the part of contractual partners. In order to limit this risk, the Group applies strict guidelines for credit checks: the financial situation of new customers is checked as early as the customer acquisition stage, and existing customers are also regularly assessed with regard to their credit-worthiness. Above a defined threshold, customer receivables are additionally insured against default. Credit risks also arise from

cash and cash equivalents, derivative financial instruments and deposits with banks and other financial institutions. Such transactions are only conducted with banks and financial institutions with a high credit rating.

In all cases, the maximum credit risk corresponds to the carrying amount of the financial assets reported in the balance sheet.

ACCOUNTING POLICIES

52. Accounting and valuation policies

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

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

Software and rights	Amortization over a period of three to four years (linear)
Research and development costs	Amortization over a period of two to ten years (linear)

Own development costs are capitalized if it is probable that the expected future economic benefits associated with the asset will flow to FACC and the cost of the asset can be measured reliably.

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.

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	Ten to 50 years
Investments in third-party buildings	33 to 50 years
Technical plants and machinery	Three to 33 years
Office equipment	Five to 14 years
Vehicles	Five to Eight 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 (IFRS 16)

The FACC Group determines the term of the lease on the basis of the non-cancellable basic term of the lease and taking into account the periods resulting from an option to extend the lease if it is reasonably certain that it will exercise this option, or the periods resulting from an option to terminate the lease if it is reasonably certain that it will not exercise this option.

For leases with an indefinite term, the useful life is determined analogously to the provisions for assets capitalized as fixed assets, which are not leased but owned by FACC.

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.

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.

The FACC Group recognizes a right-of-use asset and a lease liability at the commencement date. Right-of-use assets are recognized at the commencement date in the amount of the corresponding lease liability, adjusted for any initial direct costs and lease payments made to the lessor on or before the commencement date, less any lease incentives received from the lessor.

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 recognized at the present value of the unpaid lease payments at inception. The initial liability is discounted at the implicit interest rate of the lease or, if this interest rate cannot be readily determined, at the incremental borrowing 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.

If the lease liability is remeasured, the carrying amount of the right-of-use asset is either adjusted accordingly or, if the carrying amount of the right-of-use asset has already been fully amortized or impaired, the effect of the remeasurement is recognized in the income statement.

For leases of low value or with a term of less than 12 months, the lease payments associated with these leases are recognized as an expense on a straight-line basis over the term of the lease.

Lease agreements may include both leasing and non-leasing components. The FACC Group has decided to present these components separately.

The lease installments are typically fixed. To a lesser extent, there are also lease payments based on market interest rates/indexes, which are taken into account when determining the lease liability.

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.

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.

Government grants (IAS 20)

Government grants are recognized at fair value if there is reasonable assurance that the conditions attached to them will be complied with and the grants 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.

Expense subsidies, which in the Group primarily relate to subsidies in connection with development projects, are recognized in income in the same period in which the corresponding expense is incurred.

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.

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.

Energy purchasing agreements

The contracts are examined to determine whether the energy is obtained from contractually defined or implicitly determinable generation plants of the energy supplier. If a contract does not fall within the scope of IFRS 16 (because it does not meet the "identified asset" criterion), it is not recognized as a lease.

It is also necessary to check whether derivatives must be recognized in the balance sheet for forward hedges. If it can be proven that the price-hedged energy quantities are consumed by the company and were not resold shortly after receipt, the own use exception applies and the forward products concluded are exempt from accounting in accordance with IFRS 9. Otherwise, the forward products would have to be recognized as a financial derivative at fair value through profit or loss.

If energy supply contracts do not fall within the scope of either IFRS 16 or IFRS 9, they must be accounted for as executory contracts. Such contracts are generally not to be recognized unless a provision for onerous contracts is required.

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 assets for loss carryforwards are only recognized to the extent that utilization within a reasonable period of time (five years) appears probable.

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). Financial assets with embedded derivative financial instruments are not recognized separately in accordance with IFRS 9, but are classified as a whole in the "fair value through profit or loss" category.

The FACC Group also has a factoring program in place for eleven selected customers. The unsold receivables from the factoring portfolio are 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 other comprehensive income" category: Subsequent measurement is carried out at fair value in other comprehensive income (stock market price).

"At fair value through profit and loss" category: Subsequent measurement is recognized in the income statement.

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.

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 and cash equivalents

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

Liabilities are initially recognized at fair value. Subsequent measurement is either at amortized cost.

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.

Hedge Accounting

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.

In addition, the Group enters into forward exchange contracts to hedge the exchange rates of certain balance sheet items.

Revenue recognition (IFRS 15)

FACC generates two major revenue streams – from the delivery of series products, and from providing development services.

Development services either constitute a separate performance obligation under a multi-component contract, or they are part of the delivery of series products. In addition, FACC also concludes individual contracts for development projects.

In accordance with IFRS 15, revenue is recognized either over time or at a point in time as soon as a customer obtains control of the goods or services.

IFRS 15 requires entities to disclose the costs of initiating a contract with a customer. As the Group does not incur such costs, the associated disclosures are not presented in this guide.

Receivables from customer-related engineering and contract assets:

Development services and customer related engineering are recognized in revenue on a time-based basis for contracts with contractually enforceable claims. At the time of revenue recognition, liabilities from customer related engineering are recognized in revenue or variable remuneration in accordance with IFRS 15.50ff as the present value in revenue and in receivables from customer related engineering. Customer related engineering are recognized as expenses.

Receivables from customer-related engineering are subsequently reduced through ongoing amortization (progress billing).

To the extent that engineering and customer-specific tool developments constitute separate performance obligations with claims that can be contractually enforced at any time, and revenues have already been partially recognized over a period of time, the former are reported as contract assets from the outset.

If engineering and customer-specific tool developments are not remunerated separately or not at all, but are paid for by customers as a mark-up on the price of series parts, the level of revenues may be dependent on when the expected quantities of series products are sold. In the case of contracts with contractually enforceable claims, this constitutes variable consideration pursuant to IFRS 15.50 et seq., which is recognized as receivables from customer-related engineering and reassessed on a regular basis within the scope of a estimate.

Payments to customers are treated as an advance discount and are reported under contract assets. They are recognized at present value and recorded as a revenue reduction in accordance with the expected duration of the program.

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

When determining transaction prices for development services, both fixed and variable components are taken into account. The fixed component comprises the contractually agreed price component (agreed separately for the development service or confirmed to be included in the shipset price) and guaranteed minimum quantities. The variable component includes estimates regarding the distribution of quantities over the future period.

Contract costs:

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 (see Note 6 – Use of assumptions and estimates).

Financing components:

In the case of development services without milestone payments, payment is made according to the ongoing delivery of series products over the total duration of the program. As the contractual obligation is fulfilled well before payments are made, a significant financing component exists, which is taken into account in the measurement of receivables from customer-related development services and contract assets.

Revenue is recognized in the amount of the present value of the agreed payments only. Compound interest effects are recognized as income in the financial result, meaning that payments received are not allocated in full to revenue.

In the case of development services with milestone payments, the performance of services and the receipt of payments largely coincide. Consequently, there is no significant financing component here.

In the case of contracts with a term of less than twelve months, no financing component is taken into account.

Contract liabilities from customer-related engineering:

Contract liabilities from customer-related engineering are recorded under current liabilities.

Bill and Hold Agreements:

Bill and hold agreements are concluded with individual customers as part of the delivery of series products. This documents the transfer of control in accordance with IFRS 15.38 and allows revenue to be recognized or inventories to be derecognized.

Recognition of expenses

Operating expenses are recognized when the service is utilized 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.

53. Effects of new and amended standards

The following new and amended standards were mandatorily effective for the first time in the 2025 financial year:

Standard/Interpretation		Mandatory application acc. to IASB for financial years beginning with	Adoption by the EU as of 31.12.2025
IAS 21 (amended)	The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	01.01.2025	Yes

The aforementioned new or amended standards and interpretations have not resulted in any significant changes compared to the previous year and have no material impact on the accounting policies of the FACC Group.

beginning on or after 1 January 2026. 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:

The International Accounting Standards Board (IASB) is currently working on a number of projects that will affect financial years

Standard/Interpretation		Published by IASB	Mandatory application acc. to IASB	Adoption by the EU as of 31.12.2025	Effects on the Consolidated Financial Statement
IFRS 18	Presentation and Disclosure in Financial Statements	09.04.2024	01.01.2027	Yes	Yes
IFRS 19	Subsidiaries without Public Accountability: Disclosure	09.05.2024	01.01.2027	No	No
IFRS 19 (amended)	Subsidiaries without Public Accountability: Disclosure	21.08.2025	01.01.2027	No	No
IAS 21 (amended)	The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency	13.11.2025	01.01.2027	No	No
IFRS 7 / IFRS 9 (amended)	Contracts Referencing Nature-dependent Electricity	18.12.2024	01.01.2026	Yes	No
Miscellaneous	Annual Improvements Vol. 11	18.07.2024	01.01.2026	Yes	No
IFRS 9 / IFRS 7 (amended)	Amendments to the Classification and Measurement of Financial Instruments	30.05.2024	01.01.2026	Yes	No

IFRS 18 replaces the existing regulations of IAS 1 on the general requirements for financial reporting, as well as subsequent amendments to IAS 7, IAS 33, IAS 34 and IAS 8.

may result in significant changes to the structure of the consolidated income statement.

In future, the standard will provide a useful structured summary of assets, liabilities, equity, income, expenses and cash flows. Fixed subtotals will be introduced in the income statement. In addition, the allocation of expenses and income to individual areas (operating, investing or financing) is intended to create a largely uniform structure that increases the comparability of financial reports.

The standard is to be applied for the first time for financial years beginning on or after 1 January 2027. Earlier application is permitted but not planned by FACC.

The first-time application of the other new or revised standards has no material impact on FACC's Consolidated Financial Statements.

In the cash flow statement, disclosure options for dividends and interest received or paid will be eliminated in future. Operating profit is defined as the starting point for the indirect cash flow statement.

In future, company-specific key performance indicators must also be described in the notes. There will also be fixed rules on how information is grouped in the financial statements, including items currently referred to as "Other."

IFRS 18 may therefore have an impact on the presentation and structure of the FACC Group's consolidated income statement and the consolidated cash flow statement. New or amended disclosures will be required. Some issues are still being clarified, which

OTHER INFORMATION

same duties for FACC Operations GmbH, as of 31 December 2024 and as of 31 December 2025 was as follows:

54. 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

Name	Non-success-related 2024 EUR'000	Success-related 2024 EUR'000	Termination benefit 2024 EUR'000	Employer contribution to pension fund 2024 EUR'000	Total 2024 EUR'000
Robert Machtlinger	440	0	7	170	617
Andreas Ockel	421	0	24	100	545
Florian Heindl (from 01.05.2024)	237	0	36	0	273
Zhen Pang (till 14.05.2024)	143 ¹⁾	0	31	0	31
Tongyu Xu (from 15.05.2024)	232	0	32	0	264
	1,473	0	130	270	1,730

¹⁾ Contains rollups from previous years

Name	Non-success-related 2025 EUR'000	Success-related 2025 EUR'000	Termination benefit 2025 EUR'000	Employer contribution to pension fund 2025 EUR'000	Total 2025 EUR'000
Robert Machtlinger	459	0	35	170	664
Andreas Ockel (till 24.06.2025)	351	0	5	83	439
Florian Heindl	355	0	55	0	410
Tongyu Xu	418	0	51	0	469
	1,583	0	146	253	1,982

The expenses for Supervisory Board members recorded in the Annual Financial Statements amounted to kEUR 444 (previous year: kEUR 565).

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

55. Transactions with related companies and persons

FACC AG is the parent company of FACC Operations GmbH (100 percent shareholding). AVIC Cabin System Co, Limited holds 55.45 percent of the shares in FACC AG. The Aviation Industry Corporation of China, Ltd (AVIC) holds 100 percent of the shares in AVIC Cabin Systems Co. Limited.

The Aviation Industry Corporation of China, Ltd. (AVIC) belongs to the SASAC (State-owned Assets Supervision and Administration Commission of the State Council), which is a state supervisory authority and a public body within the meaning of IAS 24.9.

The Commercial Aircraft Corporation of China, Ltd (COMAC) also belongs to SASAC. Companies from the FACC AG Group have a business relationship with Shanghai Aircraft Manufacturing Co. Ltd, which is incorporated under COMAC. This business relationship is disclosed by FACC voluntarily and for reasons of transparency under receivables from related parties, although IAS 24.25

lit. a would provide for an exemption in this respect. The receivables amount to kEUR 27,502 (previous year: kEUR 18,404).

As in the previous year, transactions with related parties outside the scope of consolidation of FACC AG were concluded at arm's length in the period from 1 January 2025 to 31 December 2025 and are, without exception, attributable to the ordinary business activities of the companies involved.

Transactions between the consolidated companies included in the consolidated financial statements were eliminated in the course of Group reporting and are therefore not explained in these notes.

Transactions with related companies and persons outside the consolidated companies of FACC AG were concluded at arm's length terms in the period from 1 January 2023 to 31 December 2023, as in previous year and relate exclusively to trade receivables and trade payables.

	Receivables 31.12.2024 EUR'000	Liabilities 31.12.2024 EUR'000	Revenues and other income 2024 EUR'000	Expenses 2024 EUR'000
Parent company	0	0	0	0
Other related companies	18,404	0	43,519	30,774
Companies over which the parent company exercises control	5,633	10,312	8,484	8,364
	24,038	10,312	52,003	39,137

	Receivables 31.12.2025 EUR'000	Liabilities 31.12.2025 EUR'000	Revenues and other income 2025 EUR'000	Expenses 2025 EUR'000
Parent company	0	0	0	0
Other related companies	27,502	0	68,719	43,268
Companies over which the parent company exercises control	6,197	20,203	12,016	12,076
	33,699	20,203	80,735	55,344

In the 2025 financial year, the relocation of the production of structural components and cabin interior components for the C919 aircraft type (customer: COMAC) to a Chinese sister company was completed. When drawing up the contract, particular attention will be paid to ensuring that this is done at standard market conditions.

Transactions with related parties are subject to the general provisions for allowances. Guarantees were neither granted nor received.

56. Fees of the Group auditor

The following fees for the services of the Group auditor KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft were recognized as expenses in the 2025 and 2024 financial years:

	2024 EUR'000	2025 EUR'000
Group and annual audit	255	246
Other confirmation services	110	0
Other consulting services	53	51
	418	297

57. Events after the balance sheet date

With regard to the Iran-Israel-US conflict, FACC is unable to assess general risks (e.g., oil price developments, etc.) or general economic developments. The direct risk is currently classified as low.

There were no other events requiring disclosure after the balance sheet date of 31 December 2025.

58. Approval for publication

These Consolidated Financial Statements were prepared by the Management Board and are scheduled to be submitted by the Management Board to the Supervisory Board for review on 25 March 2025. The Consolidated Financial Statements will then be submitted to the Annual General Meeting for approval. The Supervisory Board may arrange for amendments to be made to the Consolidated Financial Statements within the scope of its duties as assessor.

59. Management and Supervisory Boards

Members of the Management Board

Robert Machtlinger, CEO
 Andreas Ockel, COO (till 24 June 2025)
 Florian Heindl, CFO
 Tongyu Xu, CSO

Members of the Supervisory Board

Chengkuan Wang (Chairman)
 Bin Wang (since 6 March 2025)
 Xu Yang (since 28 November 2025)
 Jian Wang (till 31 March 2025)
 Ian Chang
 Weixi Gong
 Jiajia Dai
 Junqi Sheng
 Tom Williams
 Jürgen Fischer (employee representative)
 Erwin Hofinger (employee representative)
 Barbara Huber (employee representative)
 Karin Klee (employee representative)

Ried im Innkreis, 9 March 2026

The Management Board

Robert Machtlinger m.p. Chairman of the Management Board	Florian Heindl m.p. Member of the Management Board
---	---

Tongyu Xu m.p.
Member of the Management Board

Statement of all Legal Representatives

According to section 124 paragraph 1 number 3 Börsegesetz (Austrian Stock Exchange Act)

We confirm to the best of our knowledge that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards. We also confirm that the Group management report gives a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties the Group faces.

Furthermore, we confirm that the legal representatives of the company are also responsible for the preparation of the non-financial statement, which is included in the management report. This statement comprises the identification and assessment of sustainability aspects and the related IROs of the Group.

We also confirm that the annual financial statements of the parent company, which were 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. The management report presents the course of business, the business results 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 describes the main risks and uncertainties to which the company is exposed. Sustainability aspects were also taken into account here with regard to the risks and opportunities for the company's short, medium and long-term net assets, financial position and results of operations.

Ried im Innkreis, 9 March 2026

The Management Board

Robert Machtlinger m.p.
Chairman of the Management
Board

Florian Heindl m.p.
Member of the Management
Board

Tongyu Xu m.p.
Member of the Management
Board

Auditor's Report

Report on the Consolidated Financial Statements

This report is a translation of the original report in German, which is solely valid.

AUDIT OPINION

We have audited the consolidated financial statements of

FACC AG, Ried im Innkreis

and its subsidiaries („the Group“), which comprise the Consolidated Statement of Profit or Loss, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position as at December 31, 2025, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and the Notes to the Consolidated Financial Statements.

In our opinion, the consolidated financial statements comply with the legal requirements and present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as adopted by the EU, and the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code).

BASIS FOR OUR OPINION

We conducted our audit in accordance with the Regulation (EU) No. 537/2014 ("EU Regulation") and Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities" section of our report. We are independent of the audited Group in accordance with Austrian company law and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained up to the date of the auditor's report is sufficient and appropriate to provide a basis for our audit opinion on this date.

Our liability as auditors is guided under Section 275 UGB (Austrian Commercial Code).

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. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, however, we do not provide a separate opinion thereon.

Recoverability of contract costs

See notes in section "6. Estimates and judgements" and note 24.

Risk for the Consolidated Financial Statements

Long-term contract fulfilment costs of EUR 38,3 million are reported in the consolidated financial statements of FACC AG as at December 31, 2025.

The relevant accounting standard IFRS 15.101 requires to recognize an impairment loss if the carrying amount is below the remaining net consideration expected to be received relating to these assets. Impairment tests are carried out at project level for contract fulfilment costs. The recoverable amounts, which represent the benchmark for the impairment test, are determined on the basis of discounted future cash flows using a risk-adjusted interest rate.

The result of the impairment tests for the respective projects depends to a significant extent on assumptions and estimates, particularly with regard to long-term planning assumptions and market uncertainties, and is therefore subject to considerable uncertainty.

There is a risk for the financial statements that the assumptions are not appropriate and that, as a result, a necessary impairment for contract fulfilment costs is not recognised in the consolidated financial statements or is not recognised with an appropriate amount.

Our Response

We performed the following audit procedures to test the recoverability of contract fulfilment costs:

- In order to assess the appropriateness of the underlying internal planning, we obtained an understanding of the planning process and the design and establishment of the related internal controls and compared the planning data on which the valuation is based with the current budget figures approved by the

Supervisory Board and the medium-term planning and detailed documents on the additional adjustments made as well as the contractual basis.

- We assessed the accuracy of the planning by comparing the plans made in previous years with the actual figures.
- We analysed the methodology used to perform the impairment test and to determine the cost of capital rates and assessed whether they comply with the provisions of IFRS 15 through involvement of our valuation specialist. We assessed the appropriateness of the assumptions used to determine the cost of capital rates by comparing them with market and industry-specific benchmarks and verified the mathematical accuracy of the calculation scheme.
- Finally, we examined whether FACC AG's disclosures on contract fulfilment costs in the notes to the financial statements are complete and appropriate.

underlying contract documentation and other related documents, as well as through discussions with FACC AG personnel, and assessed whether revenue recognition over time or at a point in time is appropriate.

- We verified the amount of releases (amortizations) of receivables from customer-related development services by reviewing the underlying contract agreements and other related documents, as well as through discussions with FACC AG personnel.
- For a sample of revenue selected using a statistical selection procedure, we assessed whether revenue recognition prior to the balance sheet date was recognised in the correct period.
- Finally, we examined whether FACC AG's disclosures on revenue recognition in the notes to the financial statements are complete and appropriate.

Revenue realisation

See notes in section "52. Accounting policies" and note 8.

Risk for the Consolidated Financial Statements

The consolidated financial statements of FACC AG as at December 31, 2025 report revenue of EUR 984,4 million, which is made up of two main revenue streams (delivery of series products on the one development hand and provision of development services including customer-specific tool on the other).

The relevant accounting standard IFRS 15 requires revenue to be recognised either over time or at a point in time as soon as a customer obtains control over the asset. At FACC AG, revenue is recognised over time in particular if commissioned development services and customer-specific tool developments constitute separate performance obligations with a contractually enforceable right to payment for the performance completed to date.

FACC AG has defined guidelines, procedures, and processes for the accounting of its customer contracts. There is a risk for the financial statements that revenue recognition may not be recorded when control transfers to the customer. This can result in revenue being recognized in the wrong accounting period.

Our Response

We performed the following audit procedures to the revenue recognition:

- We obtained an understanding of the revenue recognition processes, assessed the accounting policies applied and verified whether the accounting policies applied for revenue recognition are consistent with the provisions of IFRS 15 Revenue from Contracts with Customers.
- We tested the operating effectiveness of selected controls related to revenue recognition.
- For new contract arrangements and contract modifications, we obtained an understanding of the transaction by reviewing the

OTHER INFORMATION

Management is responsible for other information. Other information is all information provided in the annual report, other than the consolidated financial statements, the group management report and the auditor's report.

We expect the annual report to be provided to us after the date of the auditor's report.

Our opinion on the consolidated financial statements does not cover other information and we do not provide any kind of assurance thereon.

In conjunction with our audit, it is our responsibility to read this other information as soon as it becomes available, to assess whether, based on our knowledge gained during our audit, it contains any material inconsistencies with the consolidated financial statements or any apparent material misstatement of fact.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the IFRS Accounting Standards as adopted by the EU and the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code) 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.

Management is also 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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements taken as a whole, are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our audit opinion. Reasonable assurance represents a high level of assurance, but provides no guarantee that an audit conducted in accordance with the EU Regulation and with Austrian Standards on Auditing (and therefore ISAs), will always detect a material misstatement, if any. Misstatements may result from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users based on the consolidated financial statements.

As part of an audit in accordance with the EU Regulation and with Austrian Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

Moreover:

- We identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk of not detecting material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misleading representation or override of internal controls.
- We obtain an understanding of internal controls 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 controls.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We 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 respective note in the consolidated financial statements. If such disclosures are not appropriate, we will modify our audit 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.
- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the

notes, as well as whether the consolidated financial statements represent the underlying business transactions and events in a manner that achieves fair presentation.

- We plan and conduct the audit of the consolidated financial statements in order to obtain sufficient appropriate audit evidence on the financial information of the components within the Group, in order to form an audit opinion. We are responsible for directing, supervising and reviewing the audit activities carried out for the purposes of auditing the consolidated financial statements. We remain solely responsible for our audit opinion.
- We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of our audit as well as significant findings, including any significant deficiencies in internal controls that we identify during our audit.
- We communicate to the audit committee that we have complied with the relevant professional requirements in respect of our independence, that we will report any relationships and other events that could reasonably affect our independence and, where appropriate, the related safeguards.
- From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit i.e. key audit matters. We describe these key audit matters in our auditor's report unless laws or other legal regulations preclude public disclosure about the matter or when, in rare cases, we determine that a matter should not be included in our auditor's report because the negative consequences of doing so would reasonably be expected to outweigh the public benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Group Management Report

In accordance with Austrian company law, the group management report is to be audited as to whether it is consistent with the consolidated financial statements and prepared in accordance with the applicable legal requirements.

It is our responsibility to determine whether the consolidated non-financial statement has been prepared as part of the group management report, to read it and to assess whether, based on knowledge gained during our audit, it contains any material inconsistencies with the consolidated financial statements or otherwise appears to be materially misstated.

Management is responsible for the preparation of the group management report in accordance with Austrian company law.

We have conducted our audit in accordance with generally accepted standards on the audit of group management reports.

Opinion

In our opinion, the group management report is consistent with the consolidated financial statements and has been prepared in accordance with legal requirements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Statement

Based on our knowledge gained in the course of the audit of the consolidated financial statements and our understanding of the Group and its environment, we did not note any material misstatements in the group management report.

Additional information in accordance with Article 10 EU Regulation

We were elected as auditors at the Annual General Meeting on May 6, 2025 and were appointed by the supervisory board on July 15, 2025 to audit the consolidated financial statements of the Company for the financial year ending on December 31, 2025.

We have been auditors of the Company, without interruption, since the consolidated financial statements as of December 31, 2023.

We declare that our opinion expressed in the "Report on the Consolidated Financial Statements" section of our report is consistent with our additional report to the Audit Committee, in accordance with Article 11 EU Regulation.

We declare that we have not provided any prohibited non-audit services (Article 5 Paragraph 1 EU Regulation) and that we have ensured our independence throughout the course of the audit.

ENGAGEMENT PARTNER

The engagement partner is Mr. Mag.Gerold Stelzmüller.

Salzburg
March 9, 2026

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Signed by:
Mag. Gerold Stelzmüller
(Austrian Chartered Accountant)

The consolidated financial statements together with our auditor's opinion may only be published if the consolidated financial statements and the group management report are identical with the audited version attached to this report. Section 281 Paragraph 2 UGB (Austrian Commercial Code) applies to alternated versions.

Auditor's Report on the Non-Financial Statement

The English language assurance report is a translation provided for information purposes only. The original German text shall prevail in the event of any discrepancies between the English translation and the German original text. We do not accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

REPORT ON THE INDEPENDENT AUDIT OF THE CONSOLIDATED NON-FINANCIAL STATEMENT OF FACC AG CONCERNING FISCAL YEAR 2025

We have performed a limited assurance engagement of the consolidated non-financial statement included in the Group Management Report in section "Group Management Report and sustainability statement" of FACC AG (hereinafter: "Company") concerning the fiscal year ending at 31.12.2025.

Summary judgement on the basis of a limited assurance engagement

On the basis of our audit procedures and the evidence we have obtained, nothing has come to our attention that would cause us to believe that the consolidated non-financial statement included in the Group Management Report in section "Group Management Report and sustainability statement" of the Company has in any material respect not been established in compliance with the statutory provisions of Section 267a Austrian Commercial Code (UGB) including the reporting requirements according to Article 8 of the Taxonomy-Regulation (EU) 2020/852 (hereinafter EU-Taxonomy Regulation).

Basis of the summary judgement

Our limited assurance engagement on the consolidated non-financial statement was conducted in accordance with the statutory requirements and Austrian Standards on Other Assurance Engagements (KFS/PG13) and additional expert opinions (KFS/PE28). An independent assurance engagement with the purpose of expressing a conclusion with limited assurance is substantially less in scope than an independent assurance engagement with the purpose of expressing a conclusion with reasonable assurance, thus providing reduced assurance.

Our responsibility under those requirements and standards is further described in the „Responsibilities of the auditor of the consolidated non-financial statement" section of our assurance report.

We are independent of the Company in accordance with the Austrian professional regulations and Art. 22 ff. AP-RL and we have

fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit firm is subject to the provisions of KSW-PRL 2022, which essentially corresponds to the requirements of ISQM 1, and applies a comprehensive quality management system, including documented policies and procedures for compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained up to the date of the limited assurance report is sufficient and appropriate to provide a basis for our conclusion as of that date.

Other matter

The comparative information for prior periods presented in the Company's consolidated non-financial statement, including that contained in the section reporting pursuant to Article 8 of the EU-Taxonomy Regulation, was not and is not subject to this limited assurance engagement nor to an audit providing reasonable assurance.

Other information

The statutory representatives are responsible for the other information. The other information comprises all information included in the Annual Report 2025 but does not include the consolidated non-financial statement and our independent assurance report.

We obtained the consolidated annual financial statements and the other parts of the Group management report, the consolidated corporate governance report and the declaration of the statutory representatives before the date of our report, and the remaining parts of the annual report are expected to be made available to us after this date.

Our conclusion on the consolidated non-financial statement does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our limited assurance engagement on the consolidated non-financial statement, our responsibility is to read the other information when available and, in doing so, consider whether the other information is materially inconsistent with the consolidated non-financial statement or our knowledge obtained in the limited assurance engagement or otherwise appears to be misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this context.

Responsibility of the statutory representatives and the supervisory board

It is the statutory representatives of the Company who are responsible for the proper compilation of the consolidated non-financial statement in alignment with the applicable requirements. This responsibility includes:

- preparing of a consolidated non-financial statement in compliance with the requirements of the statutory provisions of Section 267a UGB,
- inclusion of disclosures in the consolidated non-financial statement in accordance with the EU-Taxonomy Regulation, and
- designing, implementing and maintaining of internal controls that management consider relevant to enable the preparation of a consolidated non-financial statement that is free from material misstatement, whether due to fraud or error.

This responsibility includes also the selection and application of appropriate methods for non-financial reporting and the making of assumptions and estimates for individual sustainability disclosures that are reasonable in the circumstances.

The Supervisory Board is responsible for monitoring the preparation of the consolidated non-financial statement.

Inherent limitations in the preparation of the consolidated non-financial statement

When reporting forward-looking information, the Company is obliged to prepare this forward-looking information based on disclosed assumptions about events that could occur in the future and possible future actions by the Company. Actual results are likely to differ as expected events often do not occur as assumed.

When determining the disclosures in accordance with the EU-Taxonomy Regulation, the statutory representatives are obliged to interpret undefined legal terms. Undefined legal terms can be interpreted differently, also regarding the legal conformity of their interpretation and are therefore subject to uncertainties.

Responsibilities of the auditor of the consolidated non-financial statement

Our objectives are to plan and conduct an audit to obtain limited assurance as to whether the consolidated non-financial statement and reporting under the EU-Taxonomy Regulation is free from material misstatements, whether due to fraud or error, and to issue a limited assurance report on it containing our summary judgement. Misstatements may result from fraudulent acts or errors and are considered material if, individually or collectively, they could reasonably be expected to influence the decisions of users made on the basis of the consolidated non-financial statement.

In a limited assurance engagement, we exercise professional judgement and maintain professional scepticism throughout the assurance engagement.

Our responsibilities include:

- performing risk-related assurance procedures, including obtaining an understanding of internal controls relevant to the engagement, to identify disclosures where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of expressing a conclusion on the effectiveness of the Company's internal controls, and
- design and perform assurance procedures responsive to disclosures in the consolidated non-financial statement, where material misstatements are likely to arise. 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.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the consolidated non-financial statement. The nature, timing and extent of assurance procedures selected depend on professional judgement, including the identification of disclosures likely to be materially misstated in the consolidated non-financial statement, whether due to fraud or error.

In conducting our limited assurance engagement on the consolidated non-financial statement, we proceed as follows:

- We obtain an understanding of the Company's processes relevant to the preparation of the consolidated non-financial statement.
- We perform inquiries of relevant personnel and analytical procedures on selected disclosures in the consolidated non-financial statement.
- We perform risk-oriented assurance procedures, on a sample basis, on selected disclosures in the consolidated non-financial statement.
- We reconcile selected disclosures in the consolidated non-financial statement with the corresponding disclosures in the consolidated annual financial statements and Group management report.
- We obtain evidence on the methods for developing estimates and forward-looking information.
- We obtain an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the consolidated non-financial statement.

Limitation of Liability and Publication

The limited assurance audit of the consolidated non-financial statement is a voluntary audit.

We issue this conclusion based on the assurance contract concluded with the client, which is also based, with effect on third parties, on the attached General Conditions of Contract for the Public Accounting Professions (AAB 2018).

With regard to our responsibility and liability under the contractual relationship, point 7 of the AAB 2018 applies.

The report on the independent audit may only be made available to third parties together with the consolidated non-financial statement contained in the section "Group Management Report and sustainability statement" in the Group Management Report and only in full and unabridged form. Since our report is prepared exclusively on behalf of and in the interest of the Company, it does not form a basis for any reliance of third parties on its content. Claims of third parties cannot therefore be derived from this.

Responsible auditor

Mr. Mag. Gerhard Posautz, Certified Auditor, is responsible for the proper performance of the limited assurance audit of the consolidated non-financial statement.

Vienna, 9.3.2026

BDO Assurance GmbH

Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Gerhard Possautz

Auditor

Mag. Verena Wiltsche

Auditor

Glossary

Technology/Industry

Autoclave	Gas-tight, sealable autoclave for curing fiber composites
Composites	A composite material is a material made from two or more constituent materials that, when combined, feature characteristics different from the individual components
Fibrous composite material	Material of reinforcing fibers and a plastic mix
OEM	Original Equipment Manufacturer – manufacturer of components, which produces these in its own factories, but does not bring them to retail itself
Primary structure	Aircraft fuselage structure
Retrofit	Modernization or expansion of existing (mostly older and no longer produced) models
Secondary structure	Attachments to the fuselage structure of an aircraft
Shipset	A delivery unit, i.e. a complete set of parts for an aircraft
Thermoplastic	Plastic that can be deformed in a certain temperature range
Tier-1-supplier	A supplier, which directly supplies OEMs with larger components and systems
Winglet/Sharklet	Parts attached to the wingtips of aircraft wings aiming to reduce the aircraft's drag
ASC 606 adjustments	Accounting adjustments: this standard stipulates that revenue is recognized when control of goods or services is transferred to the customer, and not necessarily when the invoice is issued or the money is received.
SAF	Sustainable Aviation Fuels (SAF) are sustainable, non-fossil aviation fuels produced from biomass (e.g., used cooking oils) or synthetically.
IATA	The International Air Transport Association is the umbrella organization for airlines (representing around 360 airlines, around 85% of global air traffic).

Financials

APAC	Asia-Pacific Economic Area
ATX	Austrian Traded Index – the most important stock market index of the Wiener Börse (Vienna Stock Exchange), currently consisting of 20 stocks
Book-to-bill ratio	Ratio of orders received to the amount billed for a specific period
CAD	Canadian dollar
Cashflow	Net amount of cash and cash-equivalents being transferred into and out of a business in a specific period
CGU	Cash Generating Unit
D&O insurance	Directors and officers liability insurance – liability insurance payable to the directors and officers of a company
EBIT	Earnings before interest and taxes
Equity ratio in %	Equity/balance sheet total in %
FTE	Full-time equivalents of employees
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards, including International Accounting Standards
FED	The Federal Reserve System is the central banking system and central bank of the United States of America.
EZB	The European Central Bank is the common monetary authority of the member states of the European Monetary Union.
INR	Indian rupee
Investments	Additions to intangible assets, property, plant and equipment
ISIN	International Securities Identification Number for shares
INR	Indian rupee
RMB	Renminbi/Yuan – Chinese currency
kEUR	Euro thousands
USD	US dollar

Contact

INVESTOR RELATION
Tanja Maisenberger
t.maisenberger@facc.com
Phone +43 59 616 1320
www.facc.com

Note**Language Disclaimer**

For better readability, this annual report refrains from using gender-specific language for male, female, and diverse forms simultaneously. All personal designations apply equally to all genders.

Disclaimer

This annual report has been prepared with the utmost care, and all data has been thoroughly reviewed. However, rounding, typographical, or printing errors cannot be ruled out. Automatic calculation tools were used for summations, which may result in rounding differences in amounts and percentage figures.

This report contains forward-looking statements and assessments based on the information available at the time of its preparation. Forward-looking statements are typically identified by terms such as "expect," "plan," "anticipate," "estimate," and similar expressions. It should be noted that actual developments and results may differ from the expectations outlined in this report due to various influencing factors.

This annual report is available in both German and English. In case of discrepancies, the German version shall prevail.

Editorial deadline: 9 March 2026

Imprint**Media owner and editor:**

FACC AG, Fischerstrasse 9, 4910 Ried im Innkreis, Austria

Project manager: Michael Steirer

Project team: Tanja Maisenberger, Elisabeth Murauer, Robert Briewasser, Thomas Murauer, Anna Wimmer, Patrick Doppler, Claudia Fenske

Concept, editing, layout, graphics: Reichl und Partner Werbeagentur Gesellschaft m. b. H. (image section); Dr. Reuter Investor Relations GmbH, remaining parts inhouse produced with www.firesys.de

Pictures: Robert Maybach, Werner Bartsch, Catherine Roider, Rambossek photo / graphics, Eve Air Mobility, Druckwerkstatt Handels GmbH, Getty Images, iStock, FACC AG, Georg Tiefenthaler

Auditor's Report

Report on the Financial Statements

Audit Opinion

We have audited the financial statements of

**FACC AG,
Ried im Innkreis, Austria,**

which comprise the Balance Sheet as at December 31, 2025, the Income Statement for the year then ended, and the Notes to the financial statements.

In our opinion, the financial statements comply with the legal requirements and present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and its financial performance for the year then ended, in accordance with Austrian Generally Accepted Accounting Principles.

Basis for our Opinion

We conducted our audit in accordance with Regulation (EU) No. 537/2014 ("EU Regulation") and Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities" section of our report. We are independent of the Company, in accordance with Austrian company law and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained up to the date of the auditor's report is sufficient and appropriate to provide a basis for our audit opinion on this date.

Our liability as auditors is guided under Section 275 UGB (Austrian Commercial Code).

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. These matters were addressed in the context of our audit of the financial statements as a whole, however, we do not provide a separate opinion thereon.

Recoverability of shares in affiliated companies and receivables from affiliated companies

See the notes in the section on accounting and valuation principles for financial assets and for receivables and other assets as well as in the notes to the balance sheet and the statement of changes in fixed assets as at December 31, 2025.

Risk for the Financial Statements

The annual financial statements of FACC AG as at December 31, 2025 include shares in affiliated companies in the amount of EUR 267.8 million and receivables from affiliated companies in the amount of EUR 31.3 million.

The relevant accounting regulations of the Austrian Commercial Code require an impairment test of the shares if there are indications of a permanent decline in value. This involves checking whether, on the one hand, there is a significant shortfall when comparing the carrying amount of the investment with the proportionate equity of the affiliated company on the valuation date and, on the other hand, whether there are external and internal factors that could trigger a significant change in value.

If such indications exist, a valuation of the affiliated company is performed and the value of the shares is determined on the basis of discounted net cash inflows. If this value is lower than the current carrying amount, the shares are written down to that. In the annual financial statements as at December 31, 2025, impairment losses of EUR 0.0 million were recognised.

The result of the valuation of shares in affiliated companies and receivables from affiliated companies depends to a significant extent on assumptions and estimates, particularly with regard to long-term planning assumptions and market uncertainties (cash flows, cost of capital) and is therefore subject to considerable uncertainty.

There is a risk for the financial statements that the assumptions are not appropriate and that, as a result, the necessary impairment write offs for shares in affiliated companies and value adjustments to receivables from affiliated companies are not recognised in the financial statements or not recognised with the appropriate amount.

Our response

We performed the following audit procedures to test the recoverability of the shares in affiliated companies and the receivables from affiliated companies:

- We evaluated the Company's analysis of the indicators of a significant decrease in the value (including the coverage of the carrying amount of the investment by the proportionate equity) of the shares in affiliated companies. In addition, we discussed with management whether there were any further indicators of a material decrease in the value of the shares in affiliated companies.

- In order to assess the appropriateness of the underlying internal planning, we gained an understanding of the planning process and design and implementation of the related internal controls and compared the planning data on which the valuation is based with the current budget figures approved by the Supervisory Board and the medium-term planning.
- We assessed the accuracy of planning by comparing the plans made in previous years with the actual figures.
- We reviewed the methodology used to perform the impairment test and to determine the capital cost rates and assessed whether they comply with the relevant standards through involving our valuation specialists. We assessed the appropriateness of the assumptions used to determine the cost of capital by comparing them with market and industry-specific benchmarks and verified the mathematical accuracy of the calculations.
- In the case of receivables from affiliated companies that were not already covered by the valuation of the shares in affiliated companies, we also used overdue analyses to check whether there was a need to recognise impairment losses on these items. In doing so, we also assessed the financial situation of the affiliated companies.
- Finally we checked whether the information disclosed in the notes relating to financial assets and receivables from affiliated companies are complete and accurate.

Responsibilities of Management and the Audit Committee for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Austrian Generally Accepted Accounting Principles and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Management is also responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements taken as a whole, are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our audit opinion. Reasonable assurance represents a high level of assurance, but provides no guarantee that an audit conducted in accordance with EU Regulation and with Austrian Standards on Auditing (and therefore ISAs), will always detect a material misstatement, if any. Misstatements may result from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users based on the financial statements.

As part of an audit in accordance with EU Regulation and with Austrian Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

Moreover:

- We identify and assess the risks of material misstatements in the financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk of not detecting material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misleading representation or the override of internal controls.
- We obtain an understanding of internal controls 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 entity's internal controls.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We 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 Company'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 respective note in the financial statements. If such disclosures are not appropriate, we will modify our audit 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 Company to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the notes, as well as whether the financial statements represent the underlying business transactions and events in a manner that achieves fair presentation.
- We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of our audit as well as significant findings, including any significant deficiencies in internal controls that we identify during our audit.
- We communicate to the audit committee that we have complied with the relevant professional requirements in respect of our independence, that we will report any relationships and other events that could reasonably affect our independence and, where appropriate, the related safeguards.
- From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit i.e. key audit matters. We describe these key audit matters in our auditor's report unless laws or other legal regulations preclude public disclosure about the matter or when, in rare cases, we determine that a matter should not be included in our auditor's report because the negative consequences of doing so would reasonably be expected to outweigh the public benefits of such communication.

Report on Other Legal and Regulatory Requirements

Management Report

In accordance with Austrian company law, the management report is to be audited as to whether it is consistent with the financial statements and prepared in accordance with the applicable legal requirements.

Management is responsible for the preparation of the management report in accordance with Austrian company law.

We have conducted our audit in accordance with generally accepted standards on the audit of management reports.

Opinion

In our opinion, the management report is consistent with the financial statements and has been prepared in accordance with legal requirements. The disclosures pursuant to Section 243a UGB are appropriate.

Statement

Based on our knowledge gained in the course of the audit of the financial statements and our understanding of the Company and its environment, we did not note any material misstatements in the management report.

Additional information in accordance with Article 10 EU Regulation

We were elected as auditors at the Annual General Meeting on May 6, 2025 and were appointed by the supervisory board on July 15, 2025 to audit the financial statements of the Company for the financial year ending on December 31, 2025.

We have been auditors of the Company, without interruption, since the financial statements as of December 31, 2023.

We declare that our opinion expressed in the "Report on the Financial Statements" section of our report is consistent with our additional report to the audit committee, in accordance with Article 11 EU Regulation.

We declare that we have not provided any prohibited non-audit services (Article 5 Paragraph 1 EU Regulation) and that we have ensured our independence throughout the course of the audit.

Engagement Partner

The engagement partner is Mr. Gerold Stelzmueller.

Salzburg
March 9, 2026

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:
Mag. Gerold Stelzmüller
Wirtschaftsprüfer
(Austrian Chartered Accountant)

The financial statements, together with our auditor's opinion, may only be published if the financial statements and the management report are identical with the audited version attached to this report. Section 281 Paragraph 2 UGB (Austrian Commercial Code) applies to alternated versions.

This report is a translation of the original report in German, which is solely valid.

Financial statements
and management report

as of December 31, 2025

FACC AG, Ried im Innkreis

Balance Sheet

as of 31 December 2025

Assets		
	31.12.2024	31.12.2025
	EUR'000	EUR
A. Fixed assets		
I. Intangible assets:		
1. Concessions and rights	3	0.00
	3	0.00
II. Financial assets:		
1. Investments in affiliated companies	267,823	267,822,715.00
	267,823	267,822,715.00
	267,826	267,822,715.00
B. Current assets		
I. Accounts Receivable and other assets:		
1. Accounts Receivable from affiliated companies	26,675	31,287,580.70
<i>thereof with a remaining term of more than one year</i>	<i>0</i>	<i>0</i>
2. Other receivables and assets	9,737	11,352,783.02
<i>thereof with a remaining term of more than one year</i>	<i>0</i>	<i>0</i>
	36,412	42,640,363.72
II. Cash balances, cheques, bank deposits	1,561	1,257,456.67
	37,973	43,897,820.39
C. Deferred items	784	366,605.82
D. Deferred tax assets	38,966	35,583,840.42
TOTAL ASSETS	345,549	347,670,981.63

Liabilities		
	31.12.2024	31.12.2025
	EUR'000	EUR
A. Equity		
I. Called, acquired and paid share capital	45,790	45,790,000.00
II. Capital reserves:		
1. Appropriated	134,215	134,215,000.00
2. Unappropriated	95,041	95,041,250.00
	229,256	229,256,250.00
III. Retained earnings (thereof profit carryforward EUR 20,722,130.64; previous year: TEUR 20,096)	20,722	22,093,603.54
	295,768	297,139,853.54
B. Provisions		
1. Provisions for severance payments	906	692,715.00
2. Tax provisions	36,431	34,928,336.15
3. Other provisions	748	2,172,504.87
	38,085	37,793,556.02
C. Liabilities		
1. Trade payables	1,815	1,216,580.29
<i>thereof with a remaining term of up to one year</i>	<i>1,815</i>	<i>1,000,634.88</i>
<i>thereof with a remaining term of more than one year</i>	<i>0</i>	<i>215,945.41</i>
2. Liabilities towards affiliated companies	9,724	11,367,787.12
<i>thereof with a remaining term of up to one year</i>	<i>9,724</i>	<i>11,367,787.12</i>
<i>thereof with a remaining term of more than one year</i>	<i>0</i>	<i>0</i>
3. Other liabilities	156	153,204.66
<i>thereof with a remaining term of up to one year</i>	<i>156</i>	<i>153,204.66</i>
<i>thereof with a remaining term of more than one year</i>	<i>0</i>	<i>0</i>
<i>thereof taxes</i>	<i>12</i>	<i>11,152.88</i>
<i>thereof with a remaining term of up to one year</i>	<i>12</i>	<i>11,152.88</i>
<i>thereof with a remaining term of more than one year</i>	<i>0</i>	<i>0</i>
<i>thereof relating to social security</i>	<i>100</i>	<i>98,619.54</i>
<i>thereof with a remaining term of up to one year</i>	<i>100</i>	<i>98,619.54</i>
<i>thereof with a remaining term of more than one year</i>	<i>0</i>	<i>0</i>
Total liabilities	11,696	12,737,572.07
<i>thereof with a remaining term of up to one year</i>	<i>11,696</i>	<i>12,521,626.66</i>
<i>thereof with a remaining term of more than one year</i>	<i>0</i>	<i>215,945.41</i>
TOTAL LIABILITIES	345,549	347,670,981.63

Income Statement

for the Financial Year from 1 January to 31 December 2025

	2024	2025
	EUR'000	EUR
1. Sales revenue	10,851	14,099,000.00
2. Other operating income		
a) Income from the reversal of provisions	0	0
b) Other	299	820,488.94
	299	820,488.94
3. Personnel expenses		
a) Salaries	-4,719	-5,123,877.06
b) Social expenses	-1,542	-1,676,330.10
<i>thereof expenses for pensions</i>	-317	-303,914.52
<i>aa) expenses for severance payments and contributions to corporate employee pension funds</i>	-193	-217,219.97
<i>bb) expenses for statutory social security contributions as well as income-dependent levies and compulsory contributions</i>	-994	-1,043,671.96
	-6,261	-6,800,207.16
4. Depreciation and amortization		
a) of intangible assets and property, plant and equipment	-13	-4,906.55
	-13	-4,906.55
5. Other operating expenses		
a) Other	-4,434	-7,521,596.11
6. Subtotal of items 1 to 5 (EBIT)	443	592,779.12
7. Other interest and similar income	1,511	1,271,222.75
<i>thereof affiliated companies</i>	1,510	1,269,528.96
8. Interest and similar expenses	-23	13,949.97
<i>thereof affiliated companies</i>	0	0
9. Subtotal of items 7 to 8 (financial result)	1,488	1,285,172.72
10. Result before taxes	1,931	1,877,951.84
11. Taxes on income (and earnings)	-1,305	-506,478.94
<i>thereof deferred taxes</i>	-654	-484,537.88
Corporate income tax from group taxation	-632	-1,145,788.96
<i>thereof carried over to the group member</i>	-19	1,125,013.40
12. Result after taxes	626	1,371,472.90
13. Profit for the year	626	1,371,472.90
14. Profit carryforward from the previous year	20,096	20,722,130.64
15. Net profit	20,722	22,093,603.54

Notes for the Financial Year from 1 January to 31 December, 2025 of FACC AG, Ried im Innkreis

1. GENERAL

These Annual Financial Statements for the financial year from 1 January to 31 December 2025 were prepared by the Management Board of the company in accordance with the provisions of the Austrian Commercial Code (UGB).

The company is to be classified as a large corporation in accordance with section 221 of the Austrian Commercial Code (UGB).

To the extent necessary to present a true and fair view of the net asset position, financial position and profit situation, additional information has been provided in the Notes.

FACC AG, headquartered in Ried im Innkreis, prepares the Consolidated Financial Statements as the parent company of FACC Operations GmbH, which are published at the Commercial Court of Ried im Innkreis.

FACC AG is included in the scope of consolidation of AVIC Cabin Systems Co., Limited (ACS) headquartered in Hong Kong (Room 2202A, 22/F, Fairmont House, 8 Cotton Tree Drive, Admiralty, Hong Kong), company register number 1394811.

FACC AG is subject to duties and responsibilities of a holding company. As the parent company of FACC Operations GmbH it performs managerial activities and provides financial services for the Group.

2. ACCOUNTING AND MEASUREMENT METHODS

The Annual Financial Statements for the financial year from 1 January to 31 December 2025 were prepared in accordance with generally accepted accounting principles and in compliance with the general standard of presenting a true and fair view of the net asset position, financial position and profit situation of the company.

In preparing the Annual Financial Statements, the principle of completeness was observed.

Valuation was based on the going concern assumption.

Assets and liabilities were valued in accordance with the principal of individual valuation.

The principle of prudence was taken into due account, in particular, by only recording profits realized as of the balance sheet date. All discernible risks and pending losses as of the balance sheet were taken into account.

All discernible risks and pending losses, which occurred in the financial year from 1 January to 31 December 2025 or in a previous financial year, were taken into account.

Estimates are made on the basis of prudent assessments. To the extent that experiences of similar circumstances exist and are amenable to statistical analysis, the company has taken these into account in making estimates.

The previous form of presentation and the accounting and valuation methods previously applied were retained in the preparation of these annual financial statements.

Fixed assets

Acquired intangible assets are valued at acquisition cost less scheduled amortization. The scheduled amortization of software and licenses is performed linearly over a period of 3 years.

Property, plant and equipment are valued at acquisition or production cost less scheduled depreciation. Low-value assets are capitalized in the year of acquisition and are immediately depreciated. According to tax regulations, additions made in the first half of the year are depreciated at the full annual rate, while additions made in the second half of the year are depreciated at half the annual rate.

Financial assets are recognized at cost or, if lower, at fair value if the impairment is expected to be permanent.

Investments in affiliated companies are generally valued at acquisition cost. Unscheduled amortization is recognized if the fair value on the balance sheet date is lower than the carrying amount and the impairment is expected to be permanent. The fair value is determined according to KFS/BW 1 using the discounted cashflow method.

Receivables and other assets

Receivables and other assets are recognized at their nominal value.

Individual value adjustments are recognized for identifiable risks. Non-current receivables are discounted to their present value.

Current assets are written up if the reasons for depreciation have ceased to apply.

Deferred tax assets

Deferred taxes are recognized in accordance with section 198 paragraphs 9 and 10 of the Austrian Commercial Code (UGB) in line with the asset/liability approach and without discounting on the basis of the current corporate income tax rate of 23 % (previous year: 23 %). Deferred taxes on tax loss carryforwards, if any, are recognized to the extent that sufficient deferred tax liabilities exist or if there is clear and strong evidence that sufficient taxable income will be available in the future.

Provisions

Provisions for severance payments are calculated according to actuarial principles using the "projected unit credit" method in accordance with IAS 19. The end date of the employment relationship was taken to be 65, taking into account the probability of early retirement in accordance with the age limits of section 607 paragraph 10 of the Austrian General Social Security Act (ASVG) and section 3 of Austrian Federal Constitutional Law on Age Limits (BVG), an actuarial interest rate of 4.28 % (previous year: 3.45 %) and planned salary increases of 3.50 % (previous year: 3.50 %). As in the previous year, no fluctuation discount was applied in the calculation.

Provisions for anniversary bonuses are made in accordance with IAS 19; provisions are calculated applying an interest rate of 4.28 % (previous year: 3.40 %) and a salary increase of 3.50 % per year (previous year: 3.50 %). The end date of the employment relationship was taken to be 65, taking into account the probability of early retirement in accordance with the age limits of section 607 paragraph 10 of the Austrian General Social Security Act (ASVG) and section 3 of Austrian Federal Constitutional Law on Age Limits (BVG). In addition, a fluctuation discount of 4.14 % (previous year: 12.07 %) was applied. Employee fluctuation is determined on a company-specific basis.

The provision for similar obligations relates to the collective agreement obligation to pay anniversary bonuses.

Service costs are spread over the entire service period from joining the company until reaching the statutory retirement age.

The actuarial interest rate for provisions for severance payments and anniversary bonuses is derived from the interest rate on the balance sheet date based on market interest rates of companies with high credit ratings and in accordance with the respective remaining terms.

Actuarial gains and losses are immediately recorded to profit or loss.

Calculations are based on the AVÖ-2018-P mortality table.

In line with the principle of prudence, other provisions include all risks identifiable at the time of preparation of the balance sheet as well as liabilities, which are uncertain in terms of amount and cause, in the amounts required according to reasonable business judgement.

Liabilities

Liabilities are recognized at the repayment amount with due consideration for the principle of prudence.

Application of the Minimum Taxation Act

The Minimum Taxation Act ("MinBestG"), which is applicable in Austria from January 1, 2024, transposes the OECD model rules and the EU Directive to ensure a global minimum taxation for groups of companies (Pillar Two) into Austrian law. Numerous other countries have already introduced corresponding minimum taxation regulations in accordance with Pillar Two. Of the countries in which FACC subsidiaries are based, specific implementation measures have not yet been taken in China and the USA.

In accordance with the minimum taxation rules, the ultimate parent company of FACC AG and its subsidiaries is AVIC Cabin Systems Co., Limited (ACS) headquartered in Hong Kong.

The effects of the global minimum taxation rules on the FACC AG Group are evaluated on an ongoing basis. Based on a preliminary calculation for the financial year 2025, the temporary safe harbour regulations will not have any material effects on the income taxes of the FACC AG Group for the financial year 2025. Current taxes from the minimum taxation rules are recognized as current tax, whereby no corresponding taxes were to be recognized in the 2025 financial year.

3. EXPLANATORY NOTES TO THE BALANCE SHEET

Intangible and tangible fixed assets

The development of the individual fixed asset items and the breakdown of annual depreciation according to individual items are shown in the Table of Assets (see Annex 1 to the Notes).

Financial assets

Investments in affiliated companies

The company holds investments in the following companies (section 189a number 2 of the Austrian Commercial Code):

	Capital share %	Currency	Equity EUR	Annual net profit EUR	Balance sheet date
Affiliated companies					
FACC Operations GmbH, Ried im Innkreis	100	EUR	172,786,881.10	18,327,901.17	31.12.2025

Receivables and other assets

Receivables from affiliated companies include receivables from the provision of funds in the amount of EUR 20,300,000.00 (previous year: kEUR 20,300), from the ongoing settlement of accounts in the amount of EUR 4,756,575.86 (previous year: kEUR 1,269) and from tax allocation in the amount of EUR 6,231,004.84 (previous year: kEUR 5,106)

As in the previous year, the item Other receivables and assets does not contain any income that remains non-cash until after the balance sheet date.

Deferred items

For the purpose of accrual accounting, deferred items in the amount of EUR 366,605.82 (previous year: kEUR 784) were recorded in the balance sheet as of the balance sheet date 31 December 2025.

Deferred tax assets

Deferred tax assets as of the balance sheet date were recognized for temporary differences between the tax and corporate valuation for the following items:

	31.12.2024 EUR'000	31.12.2025 EUR
Personnel provisions	488	559,938.17
Fundraising costs	3	1,097.32
Consequential effect of tax audit	-11	0.00
Tax loss carry forwards	168,940	154,151,314.27
	169,420	154,712,349.76
Thereof deferred tax assets	38,966	35,583,840.42

The deferred tax assets developed as follows:

As of 01 January 2025	38,966,451.55
Changes recognized in profit or loss	-484,537.88
Changes of tax loss carryforwards FACC Operations GmbH	-2,898,073.25
As of 31 December 2025	35,583,840.42

In the 2025 financial year, deferred tax assets were recognized for tax loss carryforwards amounting to EUR 154,151,314.27. The recognition of deferred tax assets on tax loss carryforwards is justified as sufficiently positive results can be expected in the coming financial years.

A tax rate of 23 % (previous year: 23 %) was used to calculate deferred taxes.

Equity

The share capital of the listed company amounts to EUR 45,790,000.00 and is fully paid up. It is divided into 45,790,000 no-par value shares of EUR 1.00 each.

Authorized capital

Authorized capital was approved at the Annual General Meeting on 8 May 2023. Subject to the approval of the Supervisory Board, the Management Board is authorized to increase the company's share capital by up to EUR 19,895,000.00 within five years of entering the amendment to the Articles of Association resolved on 8 May 2023 in the commercial register, if necessary in several tranches, by issuing up to 19,895,000 new no-par value bearer shares against cash or non-cash contributions, whereby the issue price and the issue conditions shall be determined in agreement with the Supervisory Board.

The statutory subscription right may be granted to shareholders such that the capital increase is underwritten by a bank or a consortium of banks, with the obligation to offer it to shareholders in accordance with their subscription right (indirect subscription right).

However, the Management Board is authorized to fully or partially exclude shareholders' subscription rights, subject to the approval of the Supervisory Board, in the event of a capital increase from

the authorized capital (i) if the capital is increased against contributions in kind for the purpose of acquiring companies, parts of companies, operations, parts of operations, stakes in companies or other assets related to an acquisition project, or (ii) to service a greenshoe option, or (iii) to settle fractional amounts.

Moreover, the Supervisory Board is authorized to resolve amendments to the Articles of Association resulting from the issue of shares from the Authorized Capital 2023.

Conditional capital

At the ordinary Annual General Meeting on 9 July 2019, a resolution was passed approving the creation of conditional capital, which expired on 29 November 2024. At the ordinary Annual General Meeting on 6 Mai 2025, the conditional capital was resolved again. 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 at most 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.

Provisions

The provisions can be broken down as follows:

	31.12.2024 EUR'000	31.12.2025 EUR
Provisions for severance payments	906	692,715.00
Tax provisions	36,431	34,928,336.15
Other provisions		
Other personnel provisions	471	477,421.70
Other	277	1,695,083.17
	38,085	37,793,556.02

Other provisions mainly comprise provisions for unused vacation days, outstanding fees and other uncertain liabilities.

Liabilities

As in the previous year, liabilities have remaining terms of less than one year as of the balance sheet date. There is one liability with a remaining term between one and five years.

The liability towards affiliated companies in the amount of EUR 11,367,787.12 exclusively comprises sales tax credits of the Group member FACC Operations GmbH, which is offset via FACC AG due to the fact that both are members of a value added tax group (previous year: kEUR 9,724).

The item Other liabilities includes the following major expenses which remain non-cash until after the balance sheet date:

	31.12.2024 EUR'000	31.12.2025 EUR
Liabilities towards the regional health care fund	100	98,619.54
	100	98,619.54

No real securities have been provided.

Contingent liabilities

	31.12.2024 EUR'000	31.12.2025 EUR
Other contingent liabilities (guarantees)	209,479	191,580,533.32
	209,479	191,580,533.32
thereof towards affiliated companies	209,479	191,580,533.32

The company has provided guarantees for loans in the amount of EUR 122,080,533.32 (previous year kEUR 139,979) and for promissory note loans in the amount of EUR 69,500,000.00 (previous year kEUR 69,500) of FACC Operations GmbH.

years amount to EUR 177,148.48 (previous year: kEUR 267). Of this amount, EUR 89,174.02 (previous year: kEUR 109) is attributable to the following year.

Obligations arising from the use of property, plant and equipment not recognized in the balance sheet

Total financial obligations arising from the use of property, plant and equipment not recognized in the balance sheet for the next five

4. NOTES TO THE PROFIT AND LOSS STATEMENT

Sales revenue

	2024 EUR'000	2025 EUR
Domestic revenues		
Revenues from managerial activities	10,851	14,099,000.00
	10,851	14,099,000.00

FACC AG is subject to duties and responsibilities of a holding company. As the parent company of FACC Operations GmbH, it performs managerial and financing activities, provides financial services for the Group and invoices FACC Operations GmbH for the costs incurred.

Expenses for severance payments, pensions and contributions to corporate employee pension funds are made up as follows:

	2024 EUR'000	2025 EUR
Management	141	157,538.56
Other employees	52	59,681.41
	193	217,219.97

Expenses for pensions are made up as follows:

	2024 EUR'000	2025 EUR
Management	292	275,842.73
Other employees	25	28,071.79
	317	303,914.52

Expenses for severance payments and contributions to corporate employee pension funds include expenses for severance payments of EUR 141,136.52 (previous year: kEUR 122) and contributions to corporate employee pension funds of EUR 76,083.45 (previous year: kEUR 71).

Salary and payroll obligations include expenses of EUR -10,128.00 (previous year: kEUR 10) from the change in provisions for anniversary bonuses.

Changes in personnel provisions are recorded in the following items to profit or loss: Provisions for anniversary bonuses and other personnel provisions are recorded under salary and payroll obligations. Provisions for severance payments are recorded under expenses for severance payments and contributions to company employee pension funds.

Other operating expenses

Other items recorded under other operating expenses include in particular legal and consulting expenses as well as expenses for insurance.

With regard to the disclosures pursuant to section 238 paragraph 1 number 18 of the Austrian Commercial Code (UGB), recourse is made to the exemption provision based on the publication of the expenses in the Consolidated Financial Statements.

Taxes on income and earnings

Taxes on income and earnings decrease earnings before taxes by EUR -506,478.94 (previous year: kEUR -1,305). Due to the group agreement a tax amount of EUR 1,125,013.40 has been charged to the Group parent in the 2025 financial year (previous year: kEUR -19). Taxes on income include expenses from the reversal of deferred tax assets in the amount of EUR -484,537.88 (previous year: kEUR -654).

As of 13/15 February 2012, Aerospace Innovation Investment GmbH (now FACC AG) as Group parent and the former Aero Vision Holding GmbH and FACC AG (now FACC Operations GmbH) as Group members concluded a group and tax allocation agreement in accordance with the provisions of section 9 of the Austrian Corporation Tax Act (KStG) with first-time effect for the 2012 financial year. On 28 February 2017, a new group agreement was concluded by and between FACC AG and FACC Operations GmbH. In the financial 2021, Colt Prüf und Test GmbH was included in the Group

by way of an amendment to the Group agreement dated February 28, 2017.

The tax allocation agreement is in principle based on the stand-alone method according to which a tax allocation amounting to 23 % of the positive income attributed by the Group member to the Group parent is to be made. The positive income of the Group member is to be balanced with carried forward negative income of the Group member (loss carryforward), whereby a limited loss deduction of the Group parent has to be taken into consideration. In the

event a Group member earns negative income, a negative tax allocation of 23 % is to be made to the extent that the negative income is covered by positive comprehensive income of the Group parent. An agreement on settlement payments of loss carryforwards of the Group member not yet accounted for has been made.

Since June 2014, FACC Operations GmbH and FACC AG have established a value added tax group as defined in section 2 paragraph 2 number 2 of the Austrian Value Added Tax Act (UStG), whereby FACC AG as Group parent submits the advance value added tax returns for the value added tax group.

5. SUPPLEMENTARY INFORMATION

Events after the balance sheet date

With regard to the Iran-Israel-US conflict, FACC is unable to assess general risks (e.g., oil price developments, etc.) or general economic developments. The direct risk is currently classified as low.

There were no other events requiring disclosure after the balance sheet date of 31 December 2025.

Appropriation of net income

It is proposed to distribute a dividend of EUR 4,579,000.00 from the balance sheet profit of EUR 22,093,603.54 and to carry forward the remaining amount to new account.

Employees

	2024 Heads	2025 Heads
White collar	43	43
	43	43

Management Board

The Management Board of the company consists of the following members:

Robert Machtlinger, Hohenzell
 Andreas Ockel, St. Florian am Inn (until June 24, 2025)
 Florian Heindl, Krenglbach
 Tongyu Xu, Ried im Innkreis

Non-financial reporting

The company makes use of the exemption provision stipulated in section 243b (7) of the Austrian Commercial Code (UGB) regarding its obligation to prepare non-financial statements and non-financial reports. The company is included in the separate consolidated non-financial report of FACC AG, which is available on the company website www.facc.com.

Relations to related parties and persons

All transactions with related companies and persons are concluded on arm's length terms.

The members of the Management Board each have joint power of representation together with a further member of the Management Board or an authorized signatory.

The remuneration of the members of the Management Board for the period 1 January to 31 December 2025 was as follows:

	Non-success-related 2025 EUR	Success-related 2025 EUR	Termination benefit 2025 EUR	Employer contribution to pension fund 2025 EUR	Total 2025 EUR
Robert Machtlinger	458,797.44	0.00	35,303.26	170,000.00	664,100.70
Andreas Ockel (until 24.06.2025)	351,241.24	0.00	5,374.00	83,333.30	439,948.54
Florian Heindl	354,338.92	0.00	54,704.02	0.00	409,042.94
Tongyu Xu	418,316.72	0.00	50,400.27	0.00	468,716.99
	1,582,694.32	0.00	145,781.55	253,333.30	1,981,809.17

Supervisory Board

The Supervisory Board consisted of the following members in the financial year:

Chengkuan Wang (Chairman)
 Bin Wang (Vice Chairman) (since March 06, 2025)
 Jian Wang (until March 31, 2025)
 Ian Chang
 Weixi Gong
 Jiajia Dai

Junqi Sheng
 Tom Williams
 Xu Yang (since November 28, 2025)
 Jürgen Fischer (employee representative)
 Barbara Huber (employee representative)
 Karin Klee (employee representative)
 Erwin Hofinger (employee representative)

The expenses for Supervisory Board members recorded in the Financial Statements amounted to EUR 443,729.49 (previous year: kEUR 565).

Ried im Innkreis, 9 March 2026

Robert Machtlinger m.p.
Chairman of the Management Board

Florian Heindl m.p.
Member of the Management Board

Tongyu Xu m.p.
Member of the Management Board

Annexes to the Notes:

Annex 1 to the Notes: Table of Assets

Table of Fixed Assets

as of 31 December 2025

	Acquisition and production cost				Balance as of 31.12.2025 EUR
	Balance as of 01.01.2025 EUR	Additions EUR	Transfers EUR	Disposals EUR	
I. Intangible assets:					
1. Concessions and rights	27,179.74	0.00	0.00	0.00	27,179.74
	27,179.74	0.00	0.00	0.00	27,179.74
II. Tangible assets:					
1. Other equipment, furniture and fixtures					
thereof low-value assets according to section 13 of the Austrian Income Tax Act (EStG)	0.00	1,509.08	0.00	1,509.08	0.00
	0.00	1,509.08	0.00	1,509.08	0.00
III. Financial assets:					
1. Investments in affiliated companies	267,822,715.00	0.00	0.00	0.00	267,822,715.00
	267,822,715.00	0.00	0.00	0.00	267,822,715.00
	267,849,894.74	1,509.08	0.00	1,509.08	267,849,894.74

Accumulated depreciation				Net carrying amounts	
Balance as of	Additions	Disposals	Balance as of	Carrying amount	Carrying amount
01.01.2025			31.12.2025	31.12.2025	31.12.2024
EUR	EUR	EUR	EUR	EUR	EUR
23,782.27	3,397.47	0.00	27,179.74	0.00	3,397.47
23,782.27	3,397.47	0.00	27,179.74	0.00	3,397.47
0.00	1,509.08	1,509.08	0.00	0.00	0.00
0.00	1,509.08	1,509.08	0.00	0.00	0.00
0.00	0.00	0.00	0.00	267,822,715.00	267,822,715.00
0.00	0.00	0.00	0.00	267,822,715.00	267,822,715.00
23,782.27	4,906.55	1,509.08	27,179.74	267,822,715.00	267,826,112.47

Management Report of FACC AG for the 2025 financial year

1. GLOBAL ENVIRONMENT

The global economy expanded moderately overall in 2025 but remained below its long-term average growth rate. Global real gross domestic product (GDP) increased by approximately 3.2%, following a similar pace of growth in 2024. Despite ongoing geopolitical tensions, trade policy uncertainties, and structural adjustment processes, the global economy proved broadly resilient. Global inflation continued to decline, reaching around 4.1% in 2025. In advanced economies, inflation gradually moved closer to central bank targets, while it remained elevated in some emerging markets.

In the United States, economic output grew by approximately 2.0% in 2025. Although growth had slowed compared to the exceptionally strong performance of previous years, it remained solid by international standards. Growth was primarily driven by continued robust private consumption and high levels of investment in future technologies, particularly in digitalization and artificial intelligence. The labor market remained stable, even though initial signs of a return to normal were becoming apparent. Inflation declined further but remained above the 2% target in certain segments, which continued to influence the monetary policy stance.

Economic development in the euro zone in 2025 was much more modest. Real GDP increased by around 0.9%. While some member states, particularly Spain, showed relatively dynamic growth, major economies such as Germany and France remained weak. Growth was constrained by subdued industrial production, structural competitiveness challenges, and generally cautious investment activity. Inflation in the euro zone declined further and averaged approximately 2.3% for the year, moving closer to the European Central Bank's target.

In Asia, economic momentum remained the strongest globally. China recorded growth of approximately 4.6% in 2025, although structural adjustments in the real estate sector and a more moderate export performance had a dampening effect. India remained one of the fastest-growing major economies worldwide, with GDP increasing by around 6.5%, driven by strong domestic demand and substantial investment in infrastructure. Many Southeast Asian economies also developed robustly, albeit with somewhat slower momentum compared to previous years. Overall, Asia once again made the largest contribution to global economic growth.

In summary, the global economy in 2025 was characterized by moderate and regionally differentiated growth. While the United States experienced a solid upturn and Asia reaffirmed its role as the global growth engine, Europe lagged behind the other major

economic regions. Declining inflation rates and a gradual easing of monetary policy had a stabilizing effect, although geopolitical tensions, trade policy risks, and structural challenges remained key influencing factors in the global environment.

In the foreign exchange market, the euro appreciated noticeably against the U.S. dollar. By year-end, the exchange rate stood at approximately USD 1.17 per EUR, supported by expectations of an end to the ECB's rate-cutting cycle and more pronounced priced-in rate cuts by the Federal Reserve.

Despite high geopolitical and economic policy uncertainty, global equity markets performed very positively in 2025, albeit with considerable volatility at times. A more stable capital market environment is emerging for 2026: while declining inflation and more moderate interest rates are supportive of this stabilization, real growth in Europe is expected to remain subdued.

The International Monetary Fund expects global economic growth in 2026 and 2027 to remain robust, albeit below trend, at approximately 3.3% and 3.2%, respectively, broadly in line with 2025 levels. Growth is expected to be driven primarily by sustained high investment in new technologies, particularly artificial intelligence—in North America and parts of Asia, supported by favorable financing conditions and expansionary fiscal policies. At the same time, global overall inflation is projected to decline further, from an estimated 4.1% in 2025 to 3.8% in 2026 and 3.4% in 2027. The return to inflation targets is expected to proceed somewhat more slowly in the United States than in other major economies.

2. INDUSTRY ENVIRONMENT

IATA data for 2025 point to another record year for the aviation industry. With an average passenger load factor of 83.6%, the highest annual level ever recorded was achieved. Both domestic and international passenger traffic experienced moderate growth in 2025. Domestic traffic increased by 2.4% year-on-year, while international traffic rose by 7.1%.

Demand increased across all regions. African airlines recorded the highest annual growth, with passenger demand rising by 9.4% year-on-year. Airlines in the Asia-Pacific region ranked second, with revenue passenger kilometers increasing by 7.8% compared to the previous year. Latin America and the Caribbean as well as the Middle East followed with growth rates above the industry average. European airlines recorded traffic growth of 5.3% year-on-year, while North American carriers reported the lowest increase at 0.4%.

At the same time, the industry continues to face challenges. Despite persistently strong demand, supply chain constraints remain a key issue in 2026. Limited availability of critical aircraft systems—particularly engines—continues to affect the civil aviation industry. These bottlenecks have led to slower-than-planned production ramp-ups for certain aircraft families. Recent statements by Airbus management confirm that the industry will continue to face supply shortages.

Airbus and Boeing increase deliveries

In 2025, **Airbus** recorded 1,000 gross orders, resulting in 889 net orders after cancellations. The company delivered a total of 793 aircraft to 91 customers (2024: 766 aircraft). Airbus achieved its 2025 delivery target but revised its forecast in November 2025 from originally 820 to 790 aircraft. The order backlog increased to 8,754 aircraft at year-end.

Boeing delivered 600 passenger and cargo aircraft in 2025, 252 more than in the previous year (348). The order intake also reflected the manufacturer's recovery. Boeing recorded net orders for 1,175 aircraft, surpassing its European competitor Airbus for the first time since 2018. After cancellations, net orders totaled 1,173 aircraft. As of December 31, 2025, Boeing's order backlog stood at 6,720 aircraft; after accounting adjustments according to ASC 606, the economically recognized backlog amounted to 6,130 jets.

Embraer, the world's third-largest aircraft manufacturer, has positioned itself as an independent competitor alongside Boeing and Airbus. In 2025, the Brazilian company delivered a total of 244 aircraft across its various business segments (2024: 206).

In 2025, **COMAC** further increased deliveries of its narrow-body aircraft C919, handing over approximately 15 aircraft to customers according to industry estimates, compared to around 12 aircraft in 2024. At the same time, the share of Chinese-built aircraft in the domestic fleet has steadily increased, rising from approximately 1.3% in 2019 to around 4.7%. COMAC holds more than 1,000 orders for the C919 and aims to gradually increase production rates in the coming years. To support this, the company is currently building a second C919 final assembly line. In addition, COMAC has commenced development work on its new wide-body aircraft, the C929, with the objective of conducting its maiden flight before 2030.

In 2025, **Bombardier** remained one of the leading manufacturers in the premium business jet segment, benefiting from sustained strong demand for its Global and Challenger models. The Global 7500 continues to dominate the ultra-long-range segment, while the new Global 8000, with a range of approximately 8,000 nautical miles, is entering the market. North America remains the most important sales market, while demand in Asia and the Middle East continues to grow significantly.

Aviation and sustainability

The aviation industry faces a dual challenge: as passenger numbers rise, the urgency to replace fossil fuels and significantly reduce CO₂ emissions increases. Sustainable Aviation Fuel (SAF) plays a key role in this transition. SAF is produced from biomass, waste, or synthetic sources, and offers a more sustainable alternative to conventional jet fuel. Its use continues to grow, although

it still accounts for only a small share of global jet fuel consumption.

The mandatory 2% blending quota under the EU ReFuelEU Aviation regulation entered into force on January 1, 2026, and the industry is complying with this requirement. Although SAF adoption is progressing gradually, production capacities are expanding due to new facilities in France, Scandinavia, and the United States. Airlines such as Air France–KLM are expanding contracts in preparation for the 6% target by 2030. The share of sustainable fuels is expected to rise to 6% by 2030, and to more than two-thirds (70%) by 2050.

The aviation industry's ambitious climate targets remain unchanged. Air traffic is to achieve net-zero emissions by 2050. However, this will require close cooperation between governments, manufacturers, and operators, as well as substantial investments in research, development, and infrastructure. While SAF, hydrogen, and electric propulsion are considered key technologies, a complete substitution of fossil fuels over the coming decades will only be feasible through a combination of measures and supportive policy incentives.

3. BUSINESS MODEL

Disclosures pursuant to Section 243 of the Austrian Commercial Code (UGB)

The FACC Group, based in Ried im Innkreis, is an Austrian aerospace supplier specialized in the research, development, production, and maintenance of components for the civil aviation industry.

Its business model is founded on the following core competencies:

3.1. Research, development, and technological expertise

FACC attaches great importance to research and technology (R&T) as a means of creating innovative lightweight solutions for the civil aviation sector. The company's R&D activities are focused on the following topics:

Process innovation: Optimization and further development of state-of-the-art manufacturing technologies

Engineering solutions: Elaboration of design concepts that enhance efficiency and functionality

Digitalization and automation: Manufacturing technologies for the robot-assisted placement of fiber-reinforced composites by means of automated tape laying, pick & place or automated fiber placement, with a view to making the manufacturing process more efficient and scalable.

FACC has obtained all the requisite approvals to contribute its expertise in the early development phases of new aircraft models and to offer innovative solutions that are perfectly tailored to customer requirements.

3.2. Series production and customer focus

In addition to technology development, the production of high-quality components is a cornerstone of the company's business model. To produce customized components in series, FACC works closely with leading aircraft and engine manufacturers:

Component manufacturing: Production of structural and engine components (e.g., wing, fuselage, and engine parts) as well as cabin elements (e.g., overhead compartments, wall paneling)

Customized solutions: Adapting products to individual customer specifications

Quality management: Rigorous controls throughout the entire value-added process, tailored to the respective components, in order to meet the high safety and quality requirements of the aviation industry

FACC assumes full responsibility for the design, production, and delivery of finished assemblies.

Due to different applications of FACC products, three operating segments have been established.

- Aerostructures is responsible for the development, production, distribution, and repair of structural components.
- Engines & Nacelles covers the production, distribution, and repair of engine components and fan cowls.
- Cabin Interiors focuses on the development, production, distribution, and repair of interior solutions.

3.3. Maintenance, repair, and servicing

The product offering was expanded across all divisions to include services in the areas of maintenance, repair, and servicing.

Aftermarket services: FACC offers repair, maintenance, and overhaul services for aviation components, supporting existing aircraft fleets over their whole life cycle.

Spare parts management: Fast and reliable supply of spare parts to airlines and MRO companies to minimize downtimes.

Sustainable prolongation of the life cycle: FACC contributes to extending the useful life of components and reducing material consumption through innovative repair techniques and sustainable materials.

After customer contracts have been concluded and orders processed internally, the commissioned parts and components are manufactured in the Group's plants and, in some cases, by strategic partners. In addition to the three operating segments, the Group also comprises the central services Strategy, Marketing & Corporate Communications, Human Resources, Innovation & Research, Purchasing, Quality, Logistics, Facility Management, Environment, Health & Safety, Finance, Controlling, Taxes, Treasury, IT, Legal, Investor Relations, Internal Audit, and Risk Management. These central services support the operative segments in the performance of their tasks within the framework of a matrix organization.

4. STRATEGY

With its Strategy 2030, FACC aims to continuously strengthen and further develop its role as an innovative provider of lightweight solutions in the aviation industry. The focal points of the strategy can be summarized as follows:

4.1. Focus on performance

The main focus of FACC continues to be on civil aviation. As a long-standing and reliable manufacturing and development partner of major aircraft and engine producers, FACC not only boasts high-quality products, but also excellent customer relations. The company intends to further deepen these relationships in the spirit of long-term plannability, which is especially important in the aviation industry. In particular, the focus is on safeguarding financial stability and sustainably increasing profitability. In its core business, civil aviation, FACC is achieving growth by:

increasing market shares

expanding its customer and product portfolio

widening its competence portfolio by forming strategic partnerships

focusing on integrated subsystems such as primary structures and complete cabin concepts

4.2. Sustainable transformation

FACC AG has adopted a comprehensive sustainability strategy focused on innovation, efficiency, and social responsibility. The objective is to play an active role in shaping change in the aviation industry and to create sustainable value along the entire value chain. Key measures include:

Developing innovative and sustainable products: Using circular designs, we develop components and materials that meet the requirements of a circular economy and extend the life cycle of products.

Prioritizing sustainable energy sources: By 2030, FACC plans to increase its share of sustainable energy sources from currently 60 percent to 90 percent. The focus is on geothermal energy, hydropower, and photovoltaics in order to substantially improve the carbon footprint of production processes.

Promoting an open and inclusive corporate culture: FACC is committed to certification as a family-friendly employer and received the "Work and Family" award in 2025.

FACC is committed to promoting a corporate culture that actively embraces diversity, equality, and inclusion (DEI). Employees of more than 50 nationalities receive support through initiatives such as "International Cafés", which are designed to help international staff build internal networks and navigate their professional and personal lives.

Strengthening equal opportunities: The women's network "FACC Wings4Women" empowers female colleagues to develop their potential, promotes career opportunities, and is committed to ensuring the visibility of female talents.

Ensuring a robust compliance system: The robustness of the compliance management system is assessed annually through external audits to ensure utmost transparency and integrity. In addition, staff training programs are developed annually to ensure continuous awareness raising and accountability.

Increasing efficiency through continuous improvement: FACC is committed to improving its ESG ratings (currently EcoVadis and CDP) by at least one score point by 2027. These ongoing advances reflect the company's commitment to promoting environmental, social, and corporate sustainability.

Moreover, an e-learning platform offering all employees training on sustainability and ethical business practices is to be introduced by the end of 2026. The aim is to strengthen awareness, personal responsibility, and commitment among all members of staff.

4.3. New markets and diversification

FACC is continuously broadening its customer and product portfolio. Building on its lightweight construction expertise, the company intends to step up its growth in new markets such as Advanced Air Mobility (AAM) and thus further diversify its product portfolio.

The concept of decarbonization applies equally to all mobility providers, be it aircraft, trains or cars. This opens up entirely new market opportunities for FACC with potential sales growth through development, production, and maintenance. Examples include air

taxi and drones, which are employed in logistics for last-mile deliveries of parcels, or in the medical field to transport urgently needed organs. This form of mobility is becoming increasingly important in large cities around the world.

5. DEVELOPMENT OF FACC AG

FACC AG is subject to the duties and responsibilities of a holding company. As the parent company of FACC Operations GmbH, it performs managerial activities and is responsible for the financial services of the Group. The figures of the individual financial statements of FACC AG are prepared in accordance with the Austrian Commercial Code (UGB), and those of the consolidated financial statements of the FACC Group according to IFRS.

The revenues of EUR 14.1 million in the 2025 financial year (2024: EUR 10.9 million) resulted from the settlement of management services to FACC Operations GmbH.

The earnings before taxes of FACC AG amounted to EUR 1.9 million in the 2025 financial year (2024 EUR 1.9 million).

FACC AG achieved a net profit of EUR 1.4 million in the financial year 2025 (2024: net profit of EUR 0.7 million). Equity changed to EUR 297.1 million in the financial year 2025, compared to EUR 295.8 million in the previous year.

As of the balance sheet date of 31 December 2025, the equity ratio of FACC AG stood at 85.5 percent (2024: 85.6 percent).

6. DEVELOPMENT OF THE FACC GROUP

	2023	2024	2025
Revenues	736.2	884.5	984.4
Of which product revenues	693.3	803.7	907.0
Of which revenues from development services	42.9	80.8	77.4
EBIT (reported)	17.5	28.3	42.3
EBIT margin (operating)	2.4%	3.2%	4.3%
Earnings per share	0.20	0.14	0.46

In the 2025 financial year, the FACC Group generated revenue of EUR 984.4 million, marking a year-on-year increase of EUR 99.9 million (2024: EUR 884.5 million). Compared to the previous year, revenue thus increased by approximately 11 percent. This growth continues to be driven primarily by a steady increase in customer call-offs. The Engines & Nacelles and Cabin Interiors segments, in particular, benefited from the generally positive market development. Compared to the previous year, the Cabin Interiors division grew by 21.8 percent. With a 46.6 percent share of total revenue, it is also FACC's largest division. Aerostructures, FACC's second-largest division, accounted for 35.1 percent of total revenue, but saw a slight downturn compared to the previous year. This can be attributed to lower revenue from engineering and development services and a decrease in billings of milestone payments for such contracts compared to the prior-year period. Relative to the previous year, the Engines & Nacelles division recorded revenue growth of 14.3 percent. However, with a 18.3 percent share of total revenue, projects related to engine components remain FACC's smallest segment.

Airbus continues to be FACC's largest customer, accounting for 46.2 percent of total revenue. Projects for the Airbus A320 family are the strongest revenue drivers, representing more than 37 percent of total revenue in the Cabin Interiors and Aerostructures divisions. Engines & Nacelles generated substantial revenue last year with engine manufacturers Pratt & Whitney and Rolls Royce, customer Collins from the sale of engine cowlings, and thanks to the ramp-up of AAM projects.

Reported earnings before interest and taxes (EBIT) in the 2025 financial year amounted to EUR 42.3 million (2024: EUR 28.3 million), meeting management's expectations. Higher raw material costs in the Aerostructures division had a negative impact on earnings. Measures to counteract this have been initiated and implemented, and will begin to take effect in the first quarter of 2026, partially compensating for the current cost pressures. The savings effects from production relocations, particularly in the Cabin Interiors division, made a significant contribution to the improvement in earnings in 2025. The relocation activities planned until 2027 are expected to lead to a gradual and sustainable increase in profitability.

Due to the persistently high location costs in Austria, where the majority of value added continues to be generated, further efficiency-enhancing measures will be crucial to ensuring a sustainable improvement in FACC's earnings. Economies of scale, productivity increases, material price adjustments through reorganization of the supply chain, reduction of material costs, and driving forward utilization increases at the new Plant 6 in Croatia are among the key issues to be addressed in this regard.

6.1. 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 promissory note loans, loan agreements, leasing models, and factoring programs to safeguard its liquidity.

Financing instruments

The banking policy, principles governing financing agreements, liquidity, and financial asset management, and the management of currency and interest rate risks are set down in FACC's treasury principles. In accordance with the Group's policy, credit lines are managed group-wide by the Treasury department.

For information on the company's capacity to raise funds through its authorized and conditional capital and on its funding sources, please refer to Note 39 of the Consolidated Financial Statements. FACC has thus created the main prerequisites for sustainable and stable financing.

Accrued interest expenses are included in current financial liabilities.

Certain liabilities to financial institutions are secured by mortgages on company real estate and state guarantees for loans. The export credit under the Kontrollbank scheme is secured by export

receivables in the amount of 120 percent of the outstanding credit agreement. The guarantee for certain liabilities to financial institutions in connection with land and buildings amounted to kEUR 15,966 (previous year: kEUR 15,966).

Promissory note loans

On July 31, 2019, promissory note loans totaling kEUR 70,000 were issued. The individual tranches bear both fixed and variable interest rates and are due for repayment after five, seven, and ten years respectively. The financing agreements include an interest rate increase clause of 50 basis points if the net financial debt/EBITDA ratio exceeds 3.75. This interest rate increase clause came into force in the 2020 financial year and ceased to apply from the 2024 financial year onwards. The ratio is tested annually. There is no termination right for the creditor.

On July 31, 2024, promissory note loans totaling kEUR 24,000 were issued for the partial refinancing of the matured promissory note loans (in the amount of kEUR 24,500) from July 31, 2019. The individual tranches bear both fixed and variable interest rates and are due for repayment after three, five, and seven years respectively. The financing agreements include an interest rate reduction clause of 25 basis points if the net financial debt/EBITDA ratio falls below 3.5. Additionally, creditors have a termination right if the equity ratio is less than 20 percent. The ratios are tested annually as on December 31. The financial covenants for these promissory note loans were met as of December 31, 2024. The Group expects the annually required covenants to be met within the next 12 months after the reporting date.

As of the balance sheet date, December 31, 2025, the promissory note loan of July 31, 2019, was recorded at kEUR 45,500 (previous year: kEUR 45,500), and the promissory note loan of July 31, 2024, was recorded at kEUR 24,000 (previous year: kEUR 24,000)

Liabilities to banks

Syndicated loan

The syndicated loan of kEUR 225,000, which was originally concluded on August 29, 2018, has been adjusted several times since then, most recently with five participating banks with effect from October 23, 2025. As of the balance sheet date, December 31, 2025, there are four facilities with different designated uses. Three of these facilities relate to OeKB programs. An OeKB participation financing facility originally amounting to kEUR 36,000 and an OeKB Exportinvest facility originally amounting to kEUR 33,526 were concluded as part of the amendment dated February 17, 2023. Both facilities mature on December 31, 2027. The OeKB Kontrollbank refinancing framework (KRR) in the amount of kEUR 50,000 was extended by one year until February 17, 2027, with effect from October 23, 2025. An OeKB Exportinvest facility originally amounting to kEUR 25,000, which formed part of the syndicated loan concluded on August 29, 2018, was repaid on June 30, 2025. The revolving credit facility with a volume of kEUR 95,500 was also extended by one year until February 17, 2027, effective as of October 23, 2025. FACC AG and FACC Solutions Croatia d.o.o. continue to act as guarantors. With the exception of the Kontrollbank refinancing framework and the participation financing facility, which are secured by receivables, all facilities are unsecured.

The following financial covenants were established for the syndicated loan:

	Dec. 31, 2025	Dec. 31, 2026
Net financial debt/EBITDA	≤ 3.75	≤ 3.50
Equity ratio	25%	25%

The financial covenants for the syndicated loan at the respective year-end also apply as of June 30 of the respective year (e.g. 3.50 applies on June 30, 2026 and on December 31, 2026) and are tested bi-annually. If the ratios are exceeded, creditors have a termination right.

For all relevant reporting dates after December 31, 2025, a net financial debt/EBITDA ratio of 3.5 and an equity ratio of at least 25 percent are required.

The Group expects the covenants to be fulfilled bi-annually to be met within the next 12 months after the reporting date.

As of year-end 2025, the revolving credit line had been drawn down by kEUR 20,000 (previous year: kEUR 25,000), the Kontrollbank refinancing framework by kEUR 50,000 (previous year: kEUR 50,000), the investment financing facility by kEUR 19,200 (previous year: kEUR 24,800), and the export investment facility by kEUR 17,881 (previous year: kEUR 25,179).

The syndicated loan matures in mid-February 2027 and December 2027, respectively. Based on current business developments, the FACC Group's plans, and regular discussions with banks, there are no indications that refinancing with existing financing partners will not be possible.

Borrowing outside the syndicated loan

On September 17, 2024, a loan of kEUR 15,000 was taken out and subsequently drawn down in full. The tranche bears a variable interest rate and is due for repayment after three years. The financing agreement includes an interest rate reduction clause of 30 basis points if the net financial debt/EBITDA ratio falls below 3.0, and an interest rate increase clause if the net financial debt/EBITDA ratio exceeds 4.5.

As of year-end 2025, this bilateral loan had been drawn down by kEUR 15,000 (previous year: kEUR 15,000).

6.1.1. Liquidity analysis

	2023 in EUR million	2024 in EUR million	2025 in EUR million
Cash flow from operating activities	36.6	32.0	80.8
Cash flow from investing activities	-19.4	-24.3	-21.6
Free cash flow	17.2	7.7	59.1
Cash flow from financing activities	-12.3	-45.9	-60.1
Net change in cash and cash equivalents	4.9	-38.2	-0.9
Effects from foreign exchange rates	-9.0	-1.4	-5.3
Cash and cash equivalents at the beginning of the period	102.7	98.6	59.0
Cash and cash equivalents at the end of the period	98.6	59.0	52.7

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.

Cash flow from operating activities

Cash flow from operating activities amounted to EUR 80.8 million in the 2025 reporting year, which represents an increase of EUR 48.8 million on the previous year's figure of EUR 32.0 million. This change is mainly attributable to higher operating profit and changes in working capital. Slightly lower receivables, reduced liabilities and inventories, particularly in the area of semi-finished goods, combined with a significantly higher operating performance compared with the previous year, were the main factors contributing to this increase.

Cash flow from investing activities

In the 2025 reporting year, cash flow from investing activities amounted to EUR -21.6 million, compared to EUR -24.3 million in the previous year. Lower payments for buildings in general contributed significantly to this reduction.

Cash flow from financing activities

In the 2025 reporting year, cash flow from financing activities amounted to EUR -60.1 million (2024: EUR -45.9 million).

Free cash flow

In the 2025 reporting year, free cash flow stood at EUR 59.1 million.

6.1.2. Net financial debt

	2023	2024	2025
Promissory note loans	70.0	69.5	69.5
Lease liabilities	72.1	74.0	70.4
Other financial liabilities	165.8	156.3	128.7
Gross financial liabilities	307.9	299.8	268.5
Less			
Cash and cash equivalents	98.6	59.0	52.7
Net financial debt	209.3	240.8	215.8

Net financial debt/EBITDA, a key indicator for group financing, developed as follows:

	31.12.2023 in EUR million	31.12.2024 in Mio. EUR	31.12.2025 in EUR million
Earnings before interest and taxes (EBIT)	17.5	28.3	42.3
Plus/minus			
Depreciation, amortization and impairment	23.1	24.0	25.7
Amortization contract costs	16.0	14.6	12.8
Impairment contract costs	0.0	0.0	0.0
EBITDA (adjusted)	56.6	66.9	80.8
Net financial debt/EBITDA (adjusted)	3.68	3.60	2.67

6.2. Asset position

	31.12.2023 in EUR million	31.12.2024 in EUR million	31.12.2025 in EUR million
Non-current assets	319.2	320.8	290.7
Current assets	387.3	389.7	391.1
Assets	706.5	710.5	681.8
Equity	220.6	215.8	249.0
Non-current liabilities	182.8	208.1	145.9
Current liabilities	303.1	286.6	286.9
Debt	485.9	494.7	432.8
Equity and liabilities	706.5	710.5	681.8
Equity ratio in percent	31.2	30.4	36.5

6.2.1. Assets

As of the balance sheet date December 31, 2025, the non-current assets of the FACC Group amounted to EUR 290.7 million (comparative period 2024: 320.8 million).

In the same period, current assets increased by EUR 1.4 million. Cash and cash equivalents decreased by EUR 6.3 million to EUR 52.7 million. Inventories decreased from EUR 178.3 million at the end of the 2024 financial year to EUR 175.7 million as of December 31, 2025. Trade receivables amounted to EUR 68.8 million as of December 31, 2025.

6.2.2. Equity

Equity of the FACC Group stood at EUR 249.0 million at the end of the reporting year. This corresponds to an equity ratio of 36.5 percent as of December 31, 2025 (2024: 30.4 percent).

6.2.3. Debt

Within non-current liabilities, other financial liabilities decreased from EUR 52.1 million in the 2024 financial year to EUR 41.3 million in the 2025 financial year.

Within current liabilities, trade payables increased by EUR 9.1 million relative to the previous year to EUR 90.0 million.

Due to the partial refinancing of the promissory note loan of July 31, 2019 with a total volume of EUR 24.0 million and maturities of 3 to 7 years, all promissory note loans as of December 31, 2025, are reported under non-current liabilities.

7. DEVELOPMENT OF THE SEGMENTS

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

Earnings before interest and taxes (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 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 interiors

7.1. Aerostructures segment

	2023 in EUR million	2024 in EUR million	2025 in EUR million
Revenues	272.4	350.1	345.1
EBIT (reported)	12.9	15.4	7.2
EBIT margin (reported)	4.7%	4.4%	2.1%

Revenue in the Aerostructures segment amounted to EUR 345.1 million in the 2025 financial year (2024: EUR 350.1 million). With a share of total revenue of 35.1 percent, the division is FACC's second-largest segment, notwithstanding a slight downturn compared to the previous year. This is attributable to lower revenue from development and engineering services and a decrease in billings of milestone payments for such contracts compared to the prior-year period. The Airbus A320 family remains the largest revenue driver in the Aerostructures division, followed by the Airbus A220 and Airbus A350 platforms.

As in the 2024 financial year, significant increases in raw material costs had a negative impact on earnings in Aerostructures in the 2025 financial year.

7.2. Engines & Nacelles segment

	2023 in EUR million	2024 in EUR million	2025 in EUR million
Revenues	129.7	157.6	180.2
EBIT (reported)	13.5	19.1	21.8
EBIT margin (reported)	10.4%	12.1%	12.1%

Revenue in the Engines & Nacelles segment in the 2025 financial year amounted to EUR 180.2 million (2024: EUR 157.6 million). The top revenue-generating customers in this segment are still engine manufacturers Rolls Royce, Pratt & Whitney, and Collins Aerospace. Revenue growth in the 2025 financial year was mainly driven by increasing construction rates of the Boeing 787 and Airbus A350 programs, and by the upturn in the AAM segment.

With an EBIT margin of 12.1 percent in the 2025 financial year, the division with the lowest sales made the highest contribution to earnings.

7.3. Cabin Interiors segment

	2023 in EUR million	2024 in EUR million	2025 in EUR million
Revenues	334.1	376.8	459.1
EBIT (reported)	-8.9	-6.2	13.3
EBIT margin (reported)	-2.7%	-1.6%	2.9%

With a share in total revenue of around 46.6 percent, the Cabin Interiors division is the largest segment in terms of sales. In the 2025 financial year, revenue in this segment totaled EUR 459.1 mil-

lion (2024: EUR 376.8 million), which reflects general market demand. The Airbus A320 family contributed significantly to the increase in revenue. In addition, rate ramp-ups of the business jet and Chinese platforms contributed to the growth in revenue in the Cabin Interiors division.

The relocation of production to Croatia had a positive impact on earnings. The numerous efforts made in the past resulted in a positive EBIT margin of 2.9 percent in the 2025 financial year.

8. RISK REPORT

8.1. In Basic principles of risk management

Effective risk management is an essential component of corporate governance and plays a key role in ensuring the sustainable success of FACC AG and its subsidiaries, including FACC Operations GmbH. The aim is to identify, appropriately analyze, evaluate, and effectively manage risks at an early stage in order to achieve both strategic and operational objectives. At the same time, it ensures that potential developments that could jeopardize the company's continued existence are identified in good time, thereby averting damage.

FACC AG has implemented a comprehensive risk management system (ERM) based on internationally recognized standards such as the COSO II framework and ISO 31000. This system ensures compliance with legal and internal regulations as well as integration into strategic and operational decision-making processes. Central risk management is responsible for providing methods, reporting, and monitoring the defined minimum standards.

8.2. Structural and procedural organization of risk management

The ERM of FACC AG is organized in a decentralized manner and combines central control with local responsibility. This structure enables risks to be effectively assessed, controlled, and managed across all corporate levels and divisions.

The central risk management function at FACC AG is responsible for providing methods and tools as well as ensuring uniform minimum standards. It coordinates and aggregates reported risks and ensures that these are regularly checked for completeness and plausibility.

The risk owners within the operational units and subsidiaries of FACC AG bear decentralized responsibility for identifying, analyzing, and assessing risks. This structure creates an increased awareness of risks within the operational divisions, contributing to the establishment of an active risk culture by ensuring that risks are managed where they arise.

A central element of FACC AG's ERM is the Risk Committee, which is located at Management Board level and convenes regularly, but at least twice a year. It is composed of members of the Management Board of FACC AG and key internal risk stakeholders. The Risk Committee's objective is to address the most important risk-relevant topics, findings, and events, and to discuss possible measures. The results of the committee are directly incorporated into the

strategic and operational decision-making of the Management Board.

The Audit Committee regularly informs the Supervisory Board of the company's risk situation. Reported findings include significant risks as well as measures to manage and minimize potential uncertainties and hazards.

Central risk management ensures that all risks are recorded in a central IT-supported system and updated every six months. This allows risks to be efficiently aggregated and consolidated at Group level, thereby ensuring uniform and transparent reporting.

8.3. Monitoring and effectiveness

The effectiveness of the ERM is ensured by continuous monitoring and improvement processes. As part of these processes, potential for optimization is identified and implemented, taking into account both internal and external requirements.

The ERM is regularly reviewed by the Internal Audit department to ensure that the defined minimum standards are met and effectively implemented. In addition, the auditor performs a functional audit once a year in accordance with Rule 83 of the Austrian Code of Corporate Governance. This audit serves to ensure that the ERM meets the requirements of an effective and appropriate system, supporting the continuous further development of the ERM. The Management Board and Supervisory Board of FACC AG receive regular reports on the results of these monitoring and auditing processes.

It should be noted that although the ERM is considered appropriate and effective, it is subject to inherent limitations that can potentially compromise the functionality of risk management systems. Even a carefully designed and effectively implemented system cannot guarantee that all risks are identified in good time and completely avoided.

The following key risk areas have been identified:

8.4. Strategic risks

The strategic risks of FACC AG stem from external influences, regulatory requirements, and industry-specific challenges which can have a significant impact on the implementation of the corporate strategy, particularly its Strategy 2030, and sustainable business development. In a market environment characterized by high innovation and cost pressure, identifying these risks at an early stage is therefore indispensable to stay competitive in the long term.

FACC's ERM allows strategic risks to be identified in good time, assessed and managed through appropriate measures. The following sections highlight the most important aspects, including the company's dependence on a handful of key enterprises in the global aviation industry, the complexity of international supply chains, and the challenges of an increasingly regulated environment.

Dependency on the global aviation industry and market structures

The aviation industry is characterized by a small number of aircraft manufacturers (OEMs), resulting in a high dependency on a few key companies. Changes in rate ramp-up strategies, demand plans or

economic framework conditions of these major customers, for instance, can directly affect FACC's business development. In addition, long development cycles and intense pricing negotiations within the industry make it difficult to adapt to rapidly changing market conditions.

In order to counteract these risks, FACC focuses on diversifying its customer base and expanding into new fields of business. The requirements announced by the OEMs are analyzed within the scope of annual budget planning. Drawing on market analyses, external indicators, and industry-specific trends, FACC then validates these requirements and incorporates appropriate mark-ups or mark-downs into its planning. This allows the company to react to deviations in good time and control its own production more flexibly.

Dependency on supply chains

The global and complex supply chains of the aviation industry are not only sensitive to geopolitical tensions, shortages of raw materials or external events such as natural disasters, but are also subject to high quality requirements and stringent qualification processes. Moreover, OEMs often specify suppliers, and certain components or materials are often only available from individual manufacturers (single-source manufacturing). This can further limit flexibility in procurement and increase the risk of bottlenecks.

FACC addresses these challenges through forward-looking supply chain management based on diversification, strategic partnerships, and optimized warehousing. In addition, it analyses its dependence on individual suppliers on an ongoing basis in order to identify alternative sources of supply at an early stage and minimize supply risks.

Regulatory environment

The aviation industry operates in a highly regulated environment that is constantly subject to new requirements. Tighter export controls, growing barriers to trade as well as stricter environmental regulations impact business processes along the entire value chain. Political and economic developments can restrict access to certain markets, lead to additional approval requirements, and increase administrative costs.

For FACC, this presents challenges in terms of material procurement, the supply chain, and market development. Tighter export controls, for instance, may complicate trading with certain countries or gaining access to essential raw materials, products, and technologies. At the same time, regulatory changes require internal processes to be continuously adapted in order to ensure compliance with new regulations and avoid delays along the supply chain.

FACC addresses these risks by continuously monitoring the regulatory environment and working closely with customers, suppliers, and authorities. Through forward-looking planning and targeted measures, the company ensures that it is able to react flexibly to new requirements in order to safeguard its global competitiveness.

8.5. Sales risks

FACC operates in a global, highly competitive, and cyclical market environment that is strongly influenced by global air traffic de-

mand, economic conditions, and geopolitical developments. In particular, its business operations are heavily dependent on the earnings situation of commercial airlines and their orders placed with aircraft manufacturers. Macroeconomic factors such as passenger volumes and fuel prices therefore significantly influence the requirement planning of OEMs and thus also the orders placed with FACC.

One specific risk arises from changes in delivery schedules of aircraft manufacturers. Lower production rates or delays in deliveries can result in short-term adjustments to the ordered quantities of components produced by FACC. This not only leads to potential revenue losses, but may also result in longer amortization periods for development costs, which can have a lasting impact on the profitability of individual programs. Furthermore, non-synchronized production cycles and adjustments to requirements can result in capital being tied up due to increasing stock levels, thus placing an additional burden on working capital.

To minimize and manage these risks, FACC has adopted a multifaceted strategy:

- Agile production processes and optimized inventory management allow the company to react swiftly to short-term adjustments in demand. Close coordination with customers helps to identify changes in requirements at an early stage and to integrate them more flexibly into the planning process.
- Expanding the product portfolio and broadening the geographical reach of its market presence, for instance in key markets such as America, Europe, and Asia, contributes to diversifying risk. In addition, the Group is leveraging its positioning as a development partner for existing aircraft types in order to reduce its dependence on new orders through retrofit orders. Initiatives in the field of Advanced Air Mobility (AAM) complement the existing business model and strengthen the company's long-term market position.

Thanks to these measures, FACC is able to actively address the challenges of a volatile sales market and ensure long-term stability and sustainable growth.

8.6. Operational risks

Operational risks comprise all potential hazards arising directly from FACC's production and business processes. As the company operates in an industry with high quality and safety requirements, systematically identifying and managing these risks is key to the company's long-term success. The internal control system (ICS) serves as an essential instrument for the early identification of process risks when and as they arise and for initiating appropriate countermeasures.

In addition to technological and organizational aspects, operational risks can be exacerbated by external factors such as global supply bottlenecks or geopolitical developments. The following sections highlight key risk categories, including risks related to information security, procurement and supplier risks, product liability, and quality risks as well as business interruption risks. The aim is to provide a comprehensive overview of the relevant threats and the respective control mechanisms, which are continuously monitored and adjusted as needed as part of operational processes and the ERM.

Risks related to information security

In the course of its business processes, FACC is exposed to a multitude of information, IT, and system risks, which have the potential to impair both administrative and production-related systems as a worst case. With advancing digitalization and a growing number of employees working remotely (e.g., from home), the vulnerability to cyberattacks is constantly increasing.

Typical risk factors include cybercrime attacks such as hacking, phishing, ransomware attacks, and social engineering scenarios. Incidents resulting in the loss, corruption or encryption of critical and sensitive data pose considerable risks for the reputation and financial stability of FACC AG.

In order to effectively counter these risks, FACC relies on a multi-level security concept. Security measures are implemented in IT&S on an ongoing basis and adapted to new threat scenarios. These include modern firewall systems, continuous network monitoring, access and authorization concepts, regular and controlled software updates alongside other technical, organizational, and procedural measures. The effectiveness of these measures is regularly checked through external audits, penetration tests, and certifications. This is supplemented by regular employee training sessions and information campaigns to raise awareness of fraud attempts (e.g. social engineering) and cyber threats.

Physical security at production and company sites is ensured, for instance, through access controls and other protective measures. In this way, FACC is able to minimize the risk of disruptions in both administrative and production-related areas and reduce potential reputational and financial damage as a result of cyberattacks.

Procurement and supplier risks

Procurement at FACC conducts systematic risk assessments of supply chains in order to identify and manage potential disruptions, such as global supply bottlenecks, volatile raw material markets, and geopolitical uncertainties, at an early stage. The aviation industry continues to face delivery delays and bottlenecks, with the potential of a ripple effect spreading through the entire supply chain. This can lead to temporary production downtimes, longer throughput times, as well as higher costs and capital requirements, which can impact delivery reliability and thus FACC's planning security.

In order to minimize these risks, FACC relies on strategic partnerships and regular supplier audits. Mandatory initial sample inspections at the beginning of a project and in the event of significant changes allow potential product risks to be identified at an early stage. Supply quality and delivery reliability are continuously assessed using a system-based procedure. Deviations are systematically recorded, analyzed, and reported to management. In this way, FACC is able to strengthen its resilience along the entire supply chain and ensure high quality and safety standards in aviation, even under conditions of uncertainty.

Product liability and quality risks

As a supplier to the aviation industry, FACC develops and manufactures components that are intended for installation in aircraft and engines. Potential defects or malfunctions may endanger the property, health or lives of third parties, which calls for a systematic focus on product safety. Since FACC is unable to contractually limit

or exclude its liability towards customers, consumers, and third parties, all products are subject to continuous functional and quality checks during the manufacturing process. In addition, final inspections prior to delivery ensure that all agreed specifications and regulatory requirements are met.

Projects for which FACC bears development responsibility are subject to an increased risk due to the possibility of construction errors. This risk is reduced as far as possible through systematic quality management, which includes regular control steps in all development phases as well as targeted failure mode and effects analyses (FMEA). In addition, FACC documents and archives all quality-relevant steps (quality records) in an in-house archiving system. This ensures that all products and services meet the defined specifications and official approvals.

In spite of adequate product liability insurance, quality defects and errors can negatively impact the company's net asset, financial and profit situation in extreme cases.

Business interruption risk

The company's production facilities and plants are continually maintained and serviced to keep the risk of operational breakdowns or prolonged production downtimes to a minimum. In addition, the risk of business interruption is covered by business interruption insurance with a liability period of 24 months.

8.7. Legal risks

Legal risks arise from the various legal requirements and regulations to which FACC is subject both nationally and internationally. Effective compliance management is essential in order to prevent or detect violations at an early stage and to take appropriate countermeasures. In addition, precise contractual provisions and internal control mechanisms serve to minimize potential financial and reputational repercussions.

The following sections highlight key aspects of legal risks, including potential legal disputes and risks related to intellectual property. They illustrate how FACC monitors legal developments and incorporates statutory requirements into its daily business operations in order to firmly anchor and comprehensively protect the company's interests.

Risks arising from legal disputes

FACC is occasionally involved in various civil lawsuits, which may arise from its ongoing business activities. For some of these proceedings, provisions are created to cover potential liabilities, in line with the assessment of qualified specialists and legal advisors.

However, no provisions are created for cases where a negative outcome of the proceedings is deemed highly unlikely, or where the outcome can currently not be quantified. Moreover, it should be noted that negative developments in legal proceedings may damage the reputation of FACC. For this reason, proactive communication strategies and risk management measures are adopted to counteract this.

Risks related to intellectual property

Intellectual property from research and development activities is a key success factor for securing FACC's competitiveness in the

long run. Protecting intellectual property against misuse and theft is therefore a key concern of the company. To this end, FACC makes use of instruments such as confidentiality agreements and patents. However, this does not completely exclude the possibility of patent disputes.

FACC operates in a high-tech and constantly growing environment with a very large patent landscape. In order to avoid unintentional patent infringements, FACC conducts extensive patent research; nevertheless, a residual risk always remains.

8.8. Financial risks

The operational business of FACC AG is subject to various financial risks, including currency, interest rate, liquidity, and credit risks. The Group's risk management therefore focuses, among other things, on monitoring the volatility of the financial markets and taking measures to minimize potential adverse effects on the company's financial stability.

The responsibility for identifying, assessing, and hedging these risks lies with Investor Relations, Treasury & Insurance, which cooperates closely with the Group's operational units. Further detailed information on these financial risks and the associated risk management strategies can be found in Note 45 to the Consolidated Financial Statements.

8.9. Sustainability risks

In accordance with relevant regulations, sustainability reporting at FACC is based on the principle of dual materiality. This involves examining the material impacts of our business activities, business relationships, products and services on the environment, society, employees and human rights, on the fight against corruption and bribery (inside-out perspective), and the risks and opportunities arising for FACC from these issues (outside-in perspective). The risks derived from the outside-in perspective are largely integrated into group-wide risk identification, assessment and management via the ERM. A detailed presentation of the identified sustainability risks can be found in the FACC AG Sustainability Report.

In addition, FACC is increasingly incorporating environmental, social, and governance (ESG) aspects into its risk management to be able to react to potential effects at an early stage and safeguard the company's value creation in the long term.

8.10. Summary

The overall risk situation of FACC AG is determined by the risk areas described above and their interactive effects, as well as by the group-wide aggregation and consolidation of the individual risks recorded in the ERM. Based on the information and assessments currently available, a development that could jeopardize the continued existence of the company in the 2026 financial year is considered sufficiently unlikely.

9. RESEARCH, DEVELOPMENT AND INNOVATION

FACC continuously invests in research and development in order to succeed on the market with innovative applications and processes,

to continuously improve solutions to customers' problems, and to access new business areas. Here, the main focus lies on proprietary in-house development in order to be able to use the expertise acquired for the benefit of all current and future customers of the company. Moreover, FACC forms strategic alliances with customers and research institutions to further optimize its products. A research project launched jointly with Airbus under the "Clean Aviation Europe EU Program" deserves special mention in this regard.

In the 2025 financial year, FACC spent EUR 60 million, or just under 7 percent of its revenue, on company and customer-specific research and development services.

FACC generally considers being active, and responding promptly, in the field of research and innovation to be a fundamental guarantee of the future success of the company, and will therefore continue to regard this as the main approach to distinguish itself from its competitors on the market. FACC is working intensively on the efficient production of fiber composite components and their carbon impact in order to support the achievement of the stipulated climate targets. The core objective of FACC's Research and Innovation department is to explore new manufacturing technologies that allow for high-rate and climate-friendly production of lightweight components.

At a general level, FACC is continuously working on new product solutions as well as new material and manufacturing technologies. The company is currently focusing its research on the following major topics:

- Rate-capable thermoset manufacturing processes
- Thermoplastic materials and manufacturing processes
- Cabin materials based on thermoplastic and thermoset fiber composites
- Affordable lightweight construction as a key technology
- Automation and digitalization of fiber composite manufacturing

Patents and awards

FACC filed five patent applications in 2025 and was granted 45 patents. As of the end of December 2025, FACC held 571 valid patents.

For the second time in a row, FACC AG was named Supplier of the Year by Embraer in 2025. Comac also honored FACC AG with a Supplier of the Year Award for the successful ramp-up of production of C919 components. Another milestone is the Aero Excellence™ Award in bronze for Plant 4 in Reichersberg: This places FACC among an exclusive group of only eleven aviation companies worldwide that meet this new international standard for the highest manufacturing quality. FACC is also setting standards as an employer, as confirmed by its recognition as a family-friendly company and the outstanding performance of the FACC Future Team at the apprentice competition of the Austrian Chamber of Commerce (WKÖ).

High-rate thermoset manufacturing processes

In 2025, FACC continued to develop the backbone of composite manufacturing, fiber-reinforced thermosets and related processes, with a focus on rate capability, technology scaling, and process time reduction, further increasing the level of technological maturity. A cabin-compatible, fire-resistant epoxy resin prepreg system has been identified that significantly improves surface quality. At the same time, FACC is making significant progress with fast-curing structural prepregs, which are already planned for use in a customer project. In addition, two-component RTM resin systems for structural components were further developed to shorten cycle times, ensure robust injection and curing processes, and prepare for series production. The potential was demonstrated in the EU research project "UP-Wing" together with AIRBUS, DLR, and HEXCEL.

Thermoplastic materials and manufacturing processes

In 2025, FACC consistently continued its chosen development path for fiber-reinforced thermoplastics, and gradually increased the technology readiness level (TRL) of its thermoplastic manufacturing processes. Thermoplastic components enable the economical combination of high-rate capability, light weight, and circular economy; initial relevant inquiries for structural, engine, and cabin applications demonstrate the growing market proximity. In collaboration with OEMs, FACC refined its automated process steps, including thermoplastic-based fiber placement via automated fiber placement and pick & place, and validated process windows. Significant progress has been made in the consolidation of weight-optimized laminate structures (tailored blanks). Together with the established high-temperature consolidation and forming press, key manufacturing steps can be carried out in-house, representing a further step towards higher TRL, process stability, and industrial scalability.

Cabin materials based on thermoplastic and thermosetting fiber composites

In the 2025 financial year, FACC promoted innovation along the material and process chain. The focus was on thermoplastic sandwich materials, whose homogeneous structure enables innovative recycling concepts and closed material cycles. New design and manufacturing strategies increase production efficiency, shorten cycle times, and improve the environmental balance. At the same time, FACC is expanding its portfolio of epoxy resins for use in the cabin and is consistently focusing on REACH-compliant material systems in order to combine regulatory future-proofing with first-class performance. Design-to-cost, data-based material selection, and process-integrated quality methods reduce costs without compromising functionality and safety. In this way, FACC is strengthening its technological leadership in sustainable lightweight construction and translating innovation into industrial value creation in a targeted manner. In order to be able to evaluate the targeted CO₂ reduction, FACC is also collecting data for the subsequent life cycle assessment (LCA).

Affordable lightweight construction as a key technology

In the 2025 financial year, research, innovation, and technology at FACC focused consistently on affordable lightweight construction. As a key technology, it enables the acquisition of new customer orders through competitive costs and short industrialization times.

The emphasis is on design-to-cost/sustainability, material-efficient designs, and resource-saving processes along the value chain. Targeted material savings and the use of high-performance materials reduce weight, costs and environmental impact without compromising performance requirements. Digital development methods and efficient manufacturing increase speed and quality from the initial concept to series production. Strategic cooperation with customers and research partners ensures the translation into market-ready solutions and strengthens FACC as an innovation partner for sustainable and cost-efficient lightweight construction.

Automation and digitization of fiber composite manufacturing

R&D activities are strongly focused on the automation and digitalization of fiber composite production in order to increase competitiveness. The automated fiber placement (AFP) process is required for the manufacture of complex structural components and will be brought to an industrial scale in 2026 in order to achieve reproducible quality, short throughput times, and the efficient use of materials. For smaller components, FACC is establishing pick-and-place solutions with camera-guided parts handling for safe and stable series production. The digitalization of cure degree measurement enables inline quality monitoring, traceable process data, and early fault detection. By linking the data with other manufacturing parameters, stability, efficiency, and first-time-right rates in the production of fiber composite components are further increased. These initiatives strengthen scalability, process reliability, and cost leadership in lightweight construction, and support competitive production.

10. EMPLOYEES

As of December 31, 2025, the total headcount of the FACC Group amounted to 3,907 full-time equivalents (previous year: 3,850 FTEs).

In Austria, 3,074 FTEs were employed as of December 31, 2025 (previous year: 3,059 FTEs). This corresponds to approximately 78.7 percent of the Group's total workforce (previous year: 79.5 percent).

	Blue collar	White collar	Total
Central Services	323	483	806
Aerostructures	766	183	949
Engines & Nacelles	341	112	453
Cabin Interiors	602	150	752
Subsidiaries	504	400	904
FACC AG	0	43	43
Total	2,536	1,371	3,907

The international nature of FACC is also reflected in its personnel structure. Employees from 56 countries and from all continents are currently working at the Austrian locations. 45 percent of the workforce have Austrian citizenship, and 14 percent are German nationals. For a technology company, FACC's share of women in the total workforce remains high at 30 percent. The proportion of women in FACC's apprenticeship program currently stands at 36 percent.

10.1. Motivation and health: FACC as a pioneer of employee satisfaction

A motivated and committed workforce is essential in challenging times, particularly during labor shortages.

Employee survey

An employee survey was conducted at all FACC locations in Austria in the period from September 30 to October 14, 2025. The aim of the survey was to obtain honest and comprehensive feedback on how employees perceive their daily work, cooperation within the company, and the overall conditions at FACC.

In total, 3,330 employees were invited to participate in the survey, which achieved a response rate of 38%. The survey was conducted online in six languages to ensure that participation was as broad as possible. The results of the survey will be available in early 2026. Specific measures will then be derived from these results, with the aim of further strengthening employee satisfaction and long-term loyalty to FACC.

LIFE Program

FACC launched its Life Program in 2023. The program consists of five pillars: Vital LIFE, Career LIFE, Green LIFE, Family LIFE, and Social LIFE. Each pillar offers a wide range of benefits relating to various topics and campaigns designed to maintain and promote employee health, motivation, and satisfaction.

Vital LIFE

A wide range of activities are on offer to promote both physical and mental health. Employee benefits include vaccination campaigns against TBE and influenza, preventive health checks as part of annual blood donor campaigns, and fitness videos that can be accessed online at any time.

Career LIFE

Career LIFE focuses on the development of employees. The expert career program offers development opportunities for specialists outside the traditional management career path. This ensures that experts gain visibility within the company and receive targeted recognition for their achievements. Career paths in project management have now also been defined and made transparent with the introduction of the project career.

Green LIFE

Green LIFE is all about sustainability. In addition to a second-hand sales platform, employees can also lease bicycles and electric bikes and thus benefit from tax advantages.

Since June 2022, FACC has been offering its staff the option to lease a bicycle or electric bike. With the "Jobrad" initiative, FACC aims to introduce more sustainable mobility into everyday work life. Employees can select a bike of their choice from a retailer and choose between various leasing and insurance options. The advantage is that the leasing rate is deducted through payroll accounting at FACC, providing tax benefits.

FACC is committed to sustainable technologies and mobility concepts, not only in aviation, but also in the daily commute of its workforce. In cooperation with the Upper Austrian Transport Association (OÖV), a bus stop was established in the immediate vicinity of the company's site in St. Martin. Departure times were aligned with shift schedules, enabling employees to commute to and from work using public transport.

Family LIFE

When it comes to flexibility, FACC wishes to make it easier for its workforce to strike the right balance between their professional and family lives. The FACC Kids Clubs offer subsidized childcare throughout the year and during the summer vacation. In order to make high-quality childcare available to even more members of staff, FACC also operates a Kids Club in Ried i. I. in addition to St. Martin i. I. Furthermore, FACC offers the greatest possible flexibility to optimally reconcile personal and professional needs, including part-time parental leave, a one-month parental leave for fathers, flexible working time models, and the possibility of working from home.

Diverse working time models are also becoming increasingly important in this regard. In this area too, FACC recognized very early on that highly flexible models are attractive for the workforce and potential new crew members. Therefore, in addition to a flexitime system for salaried employees and the possibility of integrating bridge days, FACC offers up to 10 flexitime days, and up to 15 flexitime Fridays. Moreover, FACC has a particularly flexible home office policy: working from home is solely a matter of agreement between the employee and their manager, as permitted by law, and is

not otherwise subject to any limitations. In the 2025 financial year, FACC employees worked a total of 33,774 days from home. In addition, FACC offers a variety of part-time working models, which are particularly popular with employees who have children to take care of, or for professional development purposes.

Due to its previous commitment, and as a strategic step for the future, FACC completed the certification process for the Austrian state quality seal "berufundfamilie" in the fall of 2024. With the involvement of employee representatives and management, existing measures were reviewed and key focus areas defined for the future. In December 2024, the Audit Committee awarded the basic "berufundfamilie" certificate, which is valid until December 4, 2027.

Social LIFE

To be among the best, you need commitment, team spirit, and a passion for innovation. FACC not only wishes to achieve but also celebrate its successes together with its employees. In addition to the Leonardo Team Award, which is presented annually in recognition of special team achievements, there are various employee events such as a Christmas party, break time areas, and canteens.

10.2. Personnel development and promotion

Academy

Continuous investments in the human capital of its entire workforce is a key factor contributing to the corporate 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 746 internal training sessions with a total of 8,126 employees participating in the 2025 financial year. In addition, more than 50 external training sessions attended by more than 550 employees were held. With more than 30 languages courses completed, FACC is actively promoting the integration of its international staff.

In order to make responsible use of its employees' time resources, FACC has been offering selected training courses via e-learning for a long time. E-learning content is also created by internal developers in order to specifically tailor the offering to the requirements of the workforce and the company as a whole. In addition to the existing e-learning courses, the offering was further expanded in 2025. Compared to the previous year, the hours of online learning have doubled. The learning units can be completed directly at the workplace via FACC's SAP system.

Moreover, to ensure that employees meet all job requirements, FACC is continuously revising its training matrix for both its Austrian and international locations. The so-called "LSO Learner"/"Manager Self Service" in SAP provides each manager and crew member 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.

The learning atmosphere at the new FACC Academy has also been adapted, enhanced, and continuously improved and adjusted. Four training rooms with cutting-edge presentation technology, a luminous atrium and a video wall for events create the perfect learning environment. A highly qualified team of trainers ensures that new and existing crew members reach the highest level of expertise. New colleagues start their onboarding directly in the Academy and receive up to two weeks of continuous training, depending on the chosen vocational path.

Development paths

Ensuring that the know-how and talents of the FACC crew can be contributed and applied as effectively as possible is important for the personal and professional development of employees as well as the success of the company. The various qualifications and strengths of employees are bundled in three development paths:

Management career:

The most important criteria in this area are leadership skills, proactive strategic thinking, a wide scope for action, and impact on the company's commercial success.

Expert career:

Employees in this area are characterized by a high level of expertise, specialist knowledge, experience, independence, and responsibility in their respective field.

Project career:

Here, the significance and scope of the project as well as the role assumed within the project are equally as important as organizational talent and flexibility.

The implementation of the development paths and the allocation of employees to the individual levels was started in mid-2022. Due to the annual review meetings, this is an ongoing process.

Employer branding

In addition to the continuous expansion of the employer brand, the primary employer branding focus in 2025 was on approaching and recruiting production staff. Various recruiting platforms were used for this purpose, and cooperation with external partners was intensified.

FACC continued its numerous collaborations with authorities, foundations, schools, and research-oriented institutions, ensuring that the right people and expertise can be brought on board quickly.

In the field of social media, various video campaigns were successfully launched on the most popular platforms. In addition, AI tools are used in social media recruiting to allow for even more precise targeting.

New recruiting software

Furthermore, new recruiting software was introduced and successfully implemented. This has had a positive effect on both the employee journey and collaboration between departments, which has been greatly facilitated.

The onboarding program is adapted on an ongoing basis. An onboarding journey was thus introduced via the Space App, an internal communication platform, with the aim of simplifying the onboarding process and promoting integration.

Team spirit

In the past year, numerous initiatives were launched to promote internal cohesion. A particular focus was placed on measures that support team spirit, cultural exchange, and interpersonal networking.

Important internal events include the annual Christmas party and anniversary celebrations. In 2025, around 270 employees were honored and celebrated for a total of 4,565 years of service. With more than 1,300 registrations, this year's Christmas party once again proved to be a resounding success. One of the highlights of the supporting program was the coveted Leonardo Team Award, which was presented for the 10th time. To mark this anniversary, a number of new features were introduced, one of which was implemented directly at the Christmas party: for the first time, employees were able to vote live for their favorite Leonardo crew member.

A key initiative was the wide range of sporting events, which were advertised via the Space App and which employees were encouraged to take part in. Whether group runs or other sporting leisure activities, these formats play a significant role in strengthening team spirit, promoting cross-departmental networking, and creating an active, health-conscious working environment.

These measures help to create an appreciative, inclusive, and collaborative work environment that sustainably strengthens the corporate culture.

Young talents

In cooperation with the Austrian Industrial Association, a "Children's Industry Day" is organized twice a year for children and adolescents up to the age of 13, introducing even the youngest visitors to the world of aviation, lightweight construction, and STEM professions.

The master's program for students has once again proven its worth. By offering master's students highly flexible working hours, the program provides them with the opportunity to gain practical experience in the aerospace industry and establish close ties with FACC.

Cooperating with schools was one of the top employer branding goals of the past year. The three sponsored classes continue to receive excellent support, including the assignment of projects, thesis topics, and summer internships. In addition, various workshops for pupils, such as job application training and SAP training, are offered to help them get their careers off to a good start.

As part of excursions of various educational institutions (schools, universities, universities of applied sciences, etc.), we had the opportunity to welcome around 500 visitors and allow them to experience our company at first hand.

The FACC HELD drone project is entering its final phase. As part of this project, students from the higher technical colleges HTL Ried, HTL Andorf, HTL Braunau, and HTL Vöcklabruck were invited to develop and produce a parcel drone. The students work together in

inter-school teams, with each school focusing on a specific technical area. The project includes two internships and the opportunity to write a thesis. The drone test flight took place successfully in the fall. The HELD drone project is an excellent opportunity for FACC to raise its visibility in schools.

10.3. Global family

As an international company with employees from 56 countries, FACC attaches great importance to cross-cultural dialogue. In order to ensure good cooperation between colleagues, a large number of our employees attend language and intercultural training courses.

International cafés

Several times a year, this format provides an open and informal setting for exchanging views on cultural specificities in Austria, practical day-to-day matters, and questions related to arriving and working in a new environment. The International Café not only supports social integration, but also creates space for dialogue, understanding, and intercultural networking.

Furthermore, individually tailored information and solutions for all aspects of everyday life are provided through our cooperation with the "Initiative Lebensraum Innviertel" association. The focus of each event is based on the needs and wishes of our international workforce.

10.4. In-house development of young talents

FACC also gives high priority to the training of its apprentices. At the end of the 2025 financial year, a total of 51 apprentices were enrolled in ten different apprentice training programs at FACC. As a visible recognition of the quality of its apprentice training, the company was awarded the "State-Honored Training Company" prize by the Federal Ministry of Education, Science and Research.

FACC offers aspiring young apprentices highly specialized training programs in design engineering, metal working technology with milling, cutting and machining techniques as a main module, plastics process engineering, fiber composite technology, process plastics technology, process engineering, IT systems engineering, and application development – coding, purchasing, and operational logistics. At FACC, apprentices have access to the latest technologies and equipment in the company as soon as they start their training. This gives them the opportunity to apply their innovative spirit and commitment to develop into the experts of the future.

With the FACC Future Team, FACC is placing a long-term focus on young talents. In order to succeed in this highly competitive market, proven incentives for apprentices include seven weeks of vacation, free lunches, bonuses for successfully completing vocational school, as well as other benefits.

10.5. FACC grant

The FACC grant was awarded for the first time in the 2019 financial year in the study course "Lightweight Design and Composite Materials" at the University of Applied Sciences in Wels. In 2025, two new students were admitted to this study program. Students receive monthly financial support. In addition, FACC covers their tuition fees, offers internships in its plants, provides guidance and

assistance through competent FACC employees, and allows students to take part in training courses, among numerous other perks. In total, FACC is now offering scholarships to six students enrolled in the "Lightweight Design and Composite Materials" course at the University of Applied Sciences Wels.

10.6. Diversity

The importance of diversity and internationality as corporate success factors is indisputable. The diverse workforce comprising more than 50 nationalities brings with it a wealth of different perspectives and requirements, which FACC is well aware of.

Focusing on the various aspects of life-stage-oriented work not only fosters a diverse workforce, but also opens up opportunities for growth in times of a skilled labor shortage. The number of different working time models at FACC has increased over the past few years: The emphasis is on offering employees flexibility and new approaches that also enable part-time staff to take on management positions. In addition to flexitime and the option of working from home, parents are given the opportunity to coordinate their working hours with each other. This option is also available to production staff by working opposite shifts.

Job sharing

Job sharing offers highly flexible working time arrangements, e.g. for lateral or career changers, staff returning from parental leave, or those in further training and education. It also caters to older employees, staff leaving the company, and those who wish to keep their knowledge and experience within the company through innovative offers and working models.

Promotion of women

The mentoring program is directed at female students in the 12th grade of higher technical colleges (HTL). FACC has been involved in this program for some time and is currently providing two female students from the HTL Andorf with an internal FACC mentor who is available to the young women as a sparring partner. In addition, FACC offers the participants summer internships and the opportunity to write a thesis.

FACC Wings for Women

The FACC Wings for Women network got off to a great start in September 2023 with a kick-off event attended by around 130 people. The aim of the Wings for Women network is to promote equal opportunities, female empowerment, and to increase the proportion of women in management positions. Several network events are offered each year, providing targeted impetus for the advancement of women through expert input, workshops, and networking opportunities. Since the network was established in 2024, in addition to events held on its premises including workshops and keynotes, FACC has also been taking advantage of its cooperative ventures in the local area to enable its workforce to participate in events on interesting topics (e.g. financial topics specifically for women).

These measures not only contribute to the development of a diverse and inclusive corporate culture, but also sustainably strengthen the company's innovative power, its positioning as an attractive employer for both prospective and current employees,

and ultimately its success on a global level. In recognition of its outstanding achievements, FACC Wings for Women was awarded the "Strong Women. Strong State" prize by the State of Upper Austria.

The Wingman Campaign was launched to actively involve managers in identifying and encouraging high potentials. Male role models were recruited from within the company to promote equal opportunities and talent. Wingmen play a key role in strengthening equal opportunities within the company, as they act as valuable multipliers and mentors.

11. REPORT ON BRANCH OFFICES

FACC AG does not operate any branch offices

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

12.1. Reporting on the key features of the internal control and risk management system with regard to accounting procedures

Pursuant to Section 243a para. 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. In accordance with Section 82 of the Austrian Stock Corporation Act (AktG), the Management Board of FACC has to ensure that an accounting and internal control system is in place, which 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 risk management and the internal control system are laid down in FACC's risk management and finance manuals. Among other things, 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, only joint signatory powers for authorizing payments, which are restricted to a small number of persons, as well as system-supported checks by SAP, the IT software in use.

FACC has been using this software 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 current business performance and forecasts regarding the Group's further course of business. In its meetings, the Audit Committee of the Supervisory Board dealt with topics such as the internal control system, risk management, and measures to mitigate internal control risks.

As part 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 approval by the Management Board. Investments running over budget must also be approved by the Supervisory Board.

12.2. 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 December 31, 2025, 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 confers one vote at the Annual General Meeting.

As of December 31, 2025, AVIC Cabin Systems Co. Limited (formerly FACC International Company Limited) held, either directly or indirectly, 55.5 percent of the shares of FACC.

As of the balance sheet date December 31, 2025, no other shareholders were known to hold more than 10 percent of the share capital.

The free float of FACC shares amounted to 44.5 percent, or 20,397,364 shares, on December 31, 2025.

There are no shares conferring special control rights.

12.3. Authorized capital

At the 9th Annual General Meeting on May 8, 2023, a resolution was passed to revoke the authorization granted to the Management Board at the 5th Annual General Meeting on July 9, 2019, to increase the company's share capital by up to EUR 9,000,000.00 against cash or non-cash contributions, in several tranches if necessary, within five years of entering the relevant amendment to the Articles of Association in the commercial register. At the same time, the Management Board was authorized, with the approval of the Supervisory Board, to increase the company's share capital by up to EUR 19,895,000.00 by issuing up to 19,895,000 new no-par value bearer shares against cash or non-cash contributions, if necessary in several tranches, within five years of the entry of the amendment to the Articles of Association resolved on May 8, 2023, in the commercial register. The new shares may be issued under exclusion of shareholders' subscription rights.

12.4. Conditional capital

At the Annual General Meeting on July 9, 2019, approved conditional capital was resolved, which expired on November 29, 2024. At the Annual General Meeting on May 6, 2025, the conditionally approved capital was resolved again. The Management Board is therefore authorized, with the approval of the Supervisory Board, to increase the share capital by up to a nominal amount of EUR 3,000,000.00 within a maximum of five years from the entry of the

authorized conditional capital in the commercial register by issuing up to 3,000,000 new shares against cash contributions. This authorized conditional capital is used to grant stock options to employees, executives, and members of the Management Board of the company, or an affiliated company, as part of a corporate stock option plan. The capital increase is earmarked and may only be carried out to the extent that holders of options from a stock option plan of the company exercise them.

12.5. 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 percent 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 Article 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 the amendments to the Articles of Association.

12.6. Other disclosures

As of December 31, 2025, FACC AG held no 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 its Management and Supervisory Boards in the event of a public takeover bid.

Agreements regarding the promissory note loan of 2019 and the syndicated loan financing of 2018 include change-of-control clauses. Lenders shall be entitled to exercise their right of termination if

- a person, or a group of persons acting in concert, acquires (direct or indirect) control over the guarantor (FACC AG), or
- the guarantor (FACC AG) no longer directly or indirectly holds or controls at least 75 percent of the capital shares or voting rights of the borrower (FACC Operations GmbH).

13. OUTLOOK

13.1. The civil aviation market

General economic conditions in the aviation industry

The aviation industry continued its growth course in 2025. According to IATA, global passenger volumes reached a new all-time high of approximately 5.2 billion. The average seat occupancy rate increased slightly to around 84 percent, while revenue passenger kilometers (RPK) grew by 5.8 percent relative to 2024. Traffic in the Asia-Pacific region once again experienced particularly strong growth, driven by the expansion of international routes. Current analyses by OEMs indicate that market demand for new and efficient aircraft will stand at approximately 43,420 by 2044.

Industry outlook for 2026 – rates will continue to rise, engine availability will drive aircraft production rates

The aviation industry is expected to further pursue its growth course in the 2026 financial year. Persistent demand growth throughout the industry will continue to go hand in hand with a dynamic environment. Despite the recent easing of tensions with regard to certain components, supply chains in the aviation sector will remain under pressure until at least 2027. Bottlenecks are currently prevalent among engine manufacturers in particular.

All FACC customers are reporting further increases in requirements for 2026.

13.2. FACC Group

Major projects in the 2026 financial year

At more than USD 6 billion, the long-term order book is at an all-time high, ensuring high capacity utilization in the coming years. This creates a solid foundation for the next few years, enabling FACC to effectively plan its future growth.

Although the limited availability of critical aircraft systems, particularly of engines, remains a key issue for the civil aviation industry, FACC's estimates for the 2026 financial year take these effects into account, with revenue planning based on conservative assumptions. FACC's management is closely monitoring developments in OEM demand and the global supply chain, and is able to respond quickly and flexibly if necessary. The general economic environment remained highly volatile in the 2025 financial year. High location costs in Europe, particularly in Austria, led to noticeable cost increases along the entire value chain. FACC was also affected by these inflationary effects. However, thanks to forward-looking cost management, ongoing efficiency improvement measures, and the systematic management of our procurement and pricing strategy, we were able to mitigate the negative impacts of these effects.

Positive effects of the CORE efficiency program

The Management Board approved an efficiency enhancement program in the fourth quarter of 2024. This program comprises five sub-projects, which together are expected to lead to a significant

improvement in operating profitability (EBIT) and operating cash flow by the end of 2026. The five sub-projects focus on the following:

- greater efficiency in production by leveraging learning curve effects and the associated productivity gains, process improvements, increased capacity utilization in Croatia, and further stabilization of the supply chain
- adjusting sales prices to partially offset the costs of inflation
- lower supplier prices by awarding new contracts, renegotiating existing contracts, shifting supply chains to more competitive regions, and continuing the C.O.M.P.E.T.E initiatives from previous years
- cutting general material and fixed costs by implementing a traditional savings program
- sustainable reduction of inventory levels through process improvements across the entire value chain with the support of an external consulting company
- All of the measures outlined above have contributed to improving earnings in 2025. However, major challenges remain, particularly in the area of material costs. Management is working intensively on restructuring the international supply chain in order to achieve the targets set in this area as well. The effectiveness of the CORE program is also demonstrated by the fact that, for the first time in several years, all three divisions generated positive operating results (EBIT).

CORE will continue to guide and shape FACC's activities in the 2026 financial year. FACC's overarching objective for 2026 is to achieve a further sustainable increase in operative profitability across all divisions and in free cash flow in order to further improve the Group's financial profile.

FACC's management continues to expect an increase in revenue in all business segments. The persistently high global demand for new aircraft remains unchanged from previous years. However, as a result, OEMs and downstream Tier 1 suppliers are still working to stabilize the supply chain situation. Notwithstanding improvements compared to recent years, FACC's management expects the supply chain to remain highly volatile in 2026. In addition, geopolitical tensions are exacerbating general uncertainty. FACC is responding to this complex situation with agile organizational and planning models to safeguard its ability to deliver to customers at all times, including through increased local-for-local production.

Advanced Air Mobility (AAM/drone business) is considered a business area that will continue to grow strongly. FACC is working with a total of four companies on AAM projects that are at various stages of development.

The aviation market is growing, and so is FACC. Over the next five years, FACC plans to

- invest approx. 300 million euros in locations, technologies, and projects ;
- create around 1,500 new jobs worldwide.

These investments are necessary to ensure the company's long-term economic success. FACC is investing in the research and development of new technologies and materials in order to offer its customers new lightweight construction systems for the next generation of aircraft.

To secure the necessary capacity for existing business and rate ramp-ups, production sites will need to be expanded. A plant expansion project within the Aerostructures division will thus be launched in Austria in the 2026 financial year. The objective is to maximize the utilization of existing manufacturing plants, machinery, and testing capacities. The investment with a total volume of more than 100 million euros will be implemented between 2026 and 2029.

On the basis of general forecasts and currently available customer forecasts, FACC's management anticipates further revenue growth in the range of 5 to 15 percent for the 2026 financial year. FACC is closely monitoring developments in the supply chain in order to identify any negative changes in customer orders at an early stage. The operating result is expected to improve further due to anticipated economies of scale and the effects of the CORE efficiency enhancement program. The forecast is based on the assumption that the overall economic situation and geopolitical conditions will not deteriorate further in 2026, and that the planning data provided by FACC's customers remain unchanged.

Ried im Innkreis, March 9, 2026

Robert Machtlinger m.p.
Chairman of the Management Board

Florian Heindl m.p.
Member of the Management Board

Tongyu Xu m.p.
Member of the Management Board



FACC AG

Fischerstraße 9
A-4910 Ried im Innkreis

P: +34 59 616-0
F: +43 59 616-81000
office@facc.com
<https://www.facc.com>