POSITION REPORT

First half year financial report 2022

Content

Selected Group Key Performance Indicators

	01.04.2021-30.06.2021 in EUR million	**01.04.2022-30.06.2022 in EUR million**	01.01.2021-30.06.2021 in EUR million	**01.01.2022-30.06.2022 in EUR million**
Revenues	122.1	142.7	240.2	270.1
thereof Aerostructures	44.6	54.4	84.5	102.6
thereof Engines & Nacelles	23.3	22.9	51.6	45.4
thereof Interiors	54.2	65.4	104.0	122.1
Earnings before interest, taxes, depreciation and amortisation (EBITDA) 2)	10.5	11,6	20.6	25.2
Earnings before interest and taxes (EBIT)	2.5	3.1	2.9	6.1
thereof Aerostructures	1.9	2.6	1.0	4.2
thereof Engines & Nacelles	2.0	0.0	4.1	2.4
thereof Interiors	–1.4	0.5	–2.2	–0.5
EBIT margin	2.0%	2.2%	1.2%	2.3%
Earnings after taxes	3.9	0.1	3.2	–0.5
Earnings per share (in EUR)	0.08	0.00	0.07	–0.01

		30.06.2021 in EUR million	31.12.2021 in EUR million	**30.06.2022 in EUR million**
Cash flow from operating activities		18.9	82.3	–29.4
Cash flow from investing activities		–5.7	–11.7	–4.0

		30.06.2021 in EUR million	31.12.2021 in EUR million	**30.06.2022 in EUR million**
Net Working Capital		143.0	103.8	119.0
Net financial debt		225.2	177.8	211.5
Equity ratio		37.9%	32.0%	29.7%
Net Debt/EBITDA		N/A	4.79	4.19
Balance sheet total		630.7	644.5	638.0
Headcount (at the balance sheet date)		2,467	2,538	2,732

	01.04.2021-30.06.2021	**01.04.2022-30.06.2022**	01.01.2021-30.06.2021	**01.01.2022-30.06.2022**
Trading volume	4,030,018	3,142,352	15,411,640	10,815,012
Average daily trading volume	65,000	50,683	123,293	85,833
High of period	9.7	8.5	12.0	9.6
Low of period	8.8	6.9	8.7	6.6
Closing price	9.39	6.81	9.39	6.81
Performance of period	0.6%	–16.1%	8.9%	–10.7%
Market capitalization in EUR million	430.0	311.8	430.0	311.8

[1] The Net Debt/EBITDA ratio is calculated from the EBITDA of the last twelve months and is reported every half year.

FOREWORD

Ladies and gentlemen,

At the beginning of the year, we conducted a detailed analysis of the aviation environment and drew up forecasts for the financial year and the long-term development of the aviation industry. We concluded that demand for aircraft will increase noticeably and that this year the first market segments in the aviation industry will be able to return to the growth rate seen before the COVID-19 pandemic. The forecast for the 2022 financial year expected FACC revenue growth of around 10 percent and an accompanying improvement in FACC margins. Back in February 2022, we were faced with a considerable challenge in assessing the impact of the Ukraine-Russia conflict on the global development of the economy and, in particular, on the aviation industry. Since we do not have any direct supply chains in either of the warring countries and sales of FACC products to Russian customers only amount to approximately EUR 1 million p.a., representing around 0.25 percent of FACC's total sales, the direct impacts were easy to assess and were classified as non-critical. However, it was not possible to assess the effects on the development of travel, particularly in Europe, and of course on energy supply, a topic that is of concern to society in general.

In terms of energy supply, FACC's foresight in exploiting non-fossil energy sources is proving its worth once again. Since 2007, we have been making extensive use of regional hot water sources (geothermal heat) and green electricity. Our use of fossil fuels has been significantly reduced in recent years as a result of investments. We now obtain a mere 18 percent of the energy we need from gas. In order to achieve complete independence from gas supplies, we decided in March 2022 to make additional investments that will enable us to become entirely independent of Russian gas. At the moment, we are in the process of implementing these and in the next few months, production operations will be possible without gas. As a reliable partner for our global customers, we are thus ensuring that we will no longer be dependent on energy suppliers from Russia in the near future.

It also quickly became clear that the ongoing war is not having a negative impact on tourism. People want to travel, which is why air travel increased by 14 percent between the end of February and the end of June in Europe alone. However, the desire to travel is currently being dampened by delays or canceled flights, mainly caused by logistical processes at airports - issues that will continue to occupy the travel industry, and not only aviation, for some time to come. Our market forecasts for 2022 are being confirmed, with aircraft construction rates increasing in line with our expectations. Revenues in the first half of 2022 increased year-on-year from EUR 240.2 million (HY 2021) to EUR 270.1 million (HY 2022). This corresponds to a revenue growth of 12.5 percent in the first few months. Profitability has also developed according to plan. Despite strained supply chains and various logistical challenges, our earnings before interest and taxes increased to an EBIT of EUR 6.1 million.

The long-term forecasts for the aviation industry are also positive. Airbus and Boeing published their market forecast for the next 20 years at the industry's most important air show in Farnborough. To put it simply: the volume of air travel will grow steadily and, as predicted before the pandemic, around 40,000 new and efficient aircraft will be required for the market in the course of the next 20 years. The long-term market analyses carried out by our customers underpin our strategic investments in the construction of our new plant in Croatia. With the official opening of the new manufacturing site in May 2022, FACC's global presence has been further expanded. FACC is ideally positioned to meet future demands to the fullest. The new location will also help to boost the expertise and manpower needed within the Group to implement FACC's sustainable growth strategy successfully.

Inflation, labor shortages and supply chains will continue to challenge us in the coming months. However, given the measures already initiated in the areas of energy supply, strategic supply chain management and the ongoing expansion of our global manufacturing network, combined with a strong order backlog of almost 13,000 aircraft, the stage is set for further growth in the second half of the year.

Best wishes,
Robert Machtlinger

Highlights of the 1st half year

POSITIVE BUSINESS DEVELOPMENT: EBIT DOUBLED AND REVENUES UP 12.5 PERCENT

Travel demand continues to recover and, in connection with this, production rates for major aircraft models are rising. In line with the recovery in the aviation industry and the ramp-up of new projects, FACC's revenues increased by 12.5 percent. Earnings (EBIT) doubled despite a challenging environment in the areas of materials, energy and logistics. The number of employees as of June 30, 2022 increased by 265 FTEs compared to the same period of the previous year.

OPENING OF THE NEW HIGH-TECH PLANT IN CROATIA

After a construction period of 10 months, the new FACC Plant 6 went into operation in December 2021. At this new facility, the company is manufacturing lightweight components for the cabin interiors of business jets and passenger aircraft. This important strategic milestone was celebrated together with 400 invited guests and the entire Croatian workforce. One of the many highlights was a helicopter show by Austrian aviation icon Felix Baumgartner, who landed directly in front of the building and officially opened the new plant together with CEO Robert Machtlinger, Zhen Pang, the former Chairman of the Supervisory Board, and Croatian Prime Minister Andrej Plenković. During the official opening of the plant, the next expansion phase of the site was announced. Expansion stages 2 and 3, which will see a threefold increase in the size of the plant, will be started with immediate effect.

COO Croatia Edvin Brcic, former Chairman of the Supervisory Board Zhen Pang, CFO Croatia Matija Feric, CEO Robert Machtlinger, CFO Ales Starek and COO Andreas Ockel.
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FACC PRESENTS CABIN CONCEPT FOR NEXT-GENERATION AIRCRAFT

FACC AG caused quite a sensation at the international aviation trade fair AIX with the revamping of aircraft interiors. When creating the BIOS FUTURE CABIN, the main focus was placed on the needs of passengers and the use of sustainable materials. The company has opted for a resin derived from sugar cane, which has been optimized for use in aviation through intensive research work. The result: 20% more room to move and 50% more storage space compared to current-generation aircraft. This was made possible by a design approach that integrates seamlessly with the load-bearing elements of the aircraft. A 100% wheelchair-accessible cabin and a disability-friendly lavatory are also setting new standards with respect to barrier-free flying.

Large screens and intelligent surfaces offer a multimedia experience: the entire backrest is transformed into a screen that can be connected to the passenger's own device, if so desired, and can also play smartphone apps from third-party providers.
© FACC

APPRENTICESHIP OFFICIAL AND TWO ADDITIONAL WEEKS OF VACATION FÜR FACC APPRENTICES

From the construction of aircraft parts to metalworking: as part of the FACC Future Team, around 40 apprentices are receiving training to become the aerospace experts of tomorrow. With two additional weeks of vacation, FACC is underlining the importance of apprenticeship training while creating further incentives to pursue a career at FACC.

Economic conditions

General economic conditions

The first half of the financial year 2022 was marked strongly by the Russian war of aggression on Ukraine. The long-term impact of this conflict between Ukraine and Russia on the global economy depends on many factors, including the duration of the war, a possible expansion, and further sanctions, to name just a few examples. The consequences are currently being felt in particular through high inflation, rising tensions in the supply and value chain, and rising energy prices.

Industry-specific conditions of the aviation industry

Despite the long waiting times at airports, numerous delays and the partial cancellation of flights, the desire for mobility remains high. Measures taken by the airlines and in the airport environment are already having an effect, and a gradual return to normal is becoming apparent.

The most recently published analyses by IATA highlight the recovery in air traffic. Global passenger demand continued to recover strongly, with revenue passenger kilometers (RPKs) up 76.2 percent year-on-year in June. International RPKs were up 229.5 percent and domestic RPKs were up 5.2 percent year on year. As before, continental travel (U.S., Europe and the Middle East) is recovering much faster than international travel.

In addition to commercial travel, the number of business jet flights in particular has increased significantly and has already exceeded pre-pandemic levels. Charter flights, meanwhile, have risen sharply, especially in Europe and North America. Double-digit growth rates were recorded in the first five months of 2022. The high degree of independence from flight schedules and the current complications at airports is considered a major plus here. According to the market research company WINGX, private flights now account for a quarter of all air traffic in the U.S. - about twice as much as before the pandemic.

From today's perspective, the upswing is set to continue, but the positive outlook is also fraught with risks. The reopening of the Asia-Pacific markets will give new impetus to international passenger traffic, which is still recovering slowly. However, supply chain challenges, a weaker global macroeconomic environment and continued geopolitical uncertainty could slow down the upturn.

Revenues and earnings development

	Q2 2021 in EUR million	**Q2 2022 in EUR million**	Change	H1 2021 in EUR million	**H1 2022 in EUR million**	Change
Revenues	122.1	142.7	16.9%	240.2	270.1	12.5%
Earnings before interest and taxes (EBIT)	2.5	3.1	25.1%	2.9	6.1	113.5%
EBIT margin	2%	2.2%	7.0%	1.2%	2.3%	89.8%
Assets	630.7	638.0	1.2%	630.7	638.0	1.2%
Investments of the period	3.7	2.3	–39.2%	5.7	4.0	–29.7%

The second quarter of the financial year 2022 (April 1 - June 30) has developed as planned. Compared to the same period of the 2021 financial year, both revenue and earnings of FACC increased significantly.

Revenues in the first six months of 2022 amounted to EUR 270.1 million (comparative period 2021: EUR 240.2 million). The withdrawal from the Russian business did not affect FACC significantly. The annual delivery volume of FACC aircraft components for civil Russian applications amounted to approximately EUR 1 million over the year.

The cost of sales as a percentage of sales (gross profit) was 92.9 percent in the first half of 2022 (comparative period 2021: 91.8 percent).

Reported earnings before interest and taxes (EBIT) in the first six months of 2022 amounted to EUR 6.1 million (comparative period 2021: EUR 2.9 million).

SEGMENT REPORTING

The recovery of the divisions is on schedule and in line with the plans and expectations of the Management Board.

Revenue figures show an increase overall compared with the previous year's figures.

Aerostructures

	Q2 2021 in EUR mill.	**Q2 2022 in EUR million**	Change	H1 2021 in EUR million	**H1 2022 in EUR million**	Change
Revenues	44.6	54.4	22.1%	84.5	102.6	21.4%
Earnings before interest and taxes (EBIT)	1.9	2.6	38.9%	1.0	4.2	311.9%
EBIT margin	4.2%	4.7%	13.8%	1.2%	4.1%	239.2%
Assets	269.1	264.1	–1.8%	269.1	264.1	–1.8%
Investments of the period	1.8	1.0	–45.2%	3.0	1.9	–37.9%

Revenues in the Aerostructures segment amounted to EUR 102.6 million in the first six months of 2022 (comparative period HY 2021: EUR 84.5 million).

Earnings before interest and taxes (EBIT) stood at EUR 4.2 million in the first six months of 2022 (comparative period HY 2021: EUR 1.0 million).

Engines & Nacelles

	Q2 2021 in EUR mill.	**Q2 2022 in EUR million**	Change	H1 2021 in EUR million	**H1 2022 in EUR million**	Change
Revenues	23.3	22.9	–2.0%	51.6	45.4	–12.0%
Earnings before interest and taxes (EBIT)	2.0	0.0	–98.2%	4.1	2.4	–40.6%
EBIT margin	8.7%	0.2%	–99.8%	7.9%	5.3%	–32.5%
Assets	118.7	108.6	–8.5%	118.7	108.6	–8.5%
Investments of the period	0.2	0.4	55.8%	0.5	0.5	7.1%

Revenues in the Engines & Nacelles division amounted to EUR 45.4 million in the first six months of 2022 (comparative period HY 2021: EUR 51.6 million).

Earnings before interest and taxes (EBIT) in the Engines & Nacelles segment amounted to EUR 2.4 million in the first six months of 2022 (comparative period HY 2021: EUR 4.1 million).

Cabin Interiors

	Q2 2021 in EUR mill.	**Q2 2022 in EUR million**	Change	H1 2021 in EUR million	**H1 2022 in EUR million**	Change
Revenues	54.2	65.4	20.7%	104.0	122.1	17.3%
Earnings before interest and taxes (EBIT)	–1.4	0.5	-	–2.2	–0.5	-
EBIT margin	–2.6%	0.8%	-	–2.1%	–0.4%	-
Assets	242.9	265.2	9.2%	242.9	265.2	9.2%
Investments of the period	1.6	0.9	–46.2	2.2	1.6	–25.3%

Revenues in the Cabin Interiors segment amounted to EUR 122.1 million in the first six months of 2022 (comparative period HY 2021: EUR 104 million).

Earnings before interest and taxes (EBIT) in the Cabin Interiors segment stood at EUR -0.5 million in the first six months of 2022 (comparative period HY 2021: EUR -2.2 million).

Financial Position

Inventories at the end of the reporting period stood at EUR 110.2 million (December 31, 2021: EUR 90.8 million). In view of global developments, higher inventories have been built up since the beginning of the year in order to secure material availability as best as possible.

Trade receivables have increased since December 31, 2021, from EUR 53.0 million to EUR 63.6 million. Trade payables have decreased from EUR 53.3 million to EUR 51.9 million since December 31, 2021.

Investments in the first six months of 2022 amount to EUR 4 million, reflecting the Group's strict investment control (comparative period 2021: EUR 5.7 million).

In August 2018, FACC Operations GmbH subscribed to a syndicated loan in the amount of EUR 225 million with seven participating banks. FACC AG serves as a guarantor. The loan volume was increased by a further EUR 60 million as of 30 June 2020 (KRR Covid-19 framework credit for large enterprises of the Austrian Kontrollbank). All syndicate banks participated according to their quotas.

A net financial debt/EBITDA ratio of < 3.5 was defined as a financial covenant in August 2018. Due to the proven impact of changed accounting standards (IFRS 15, IFRS 16), the limit was increased from 3.5 to 4.0 in agreement with the syndicate banks with effect from August 31, 2019. The ratio is checked every six months (December 31 and June 30). The creditors have a right of termination in the event that the ratio is exceeded.

The effects of the Covid-19 pandemic also resulted in a persistent decline in earnings and the cash flow in the second half of 2020. They thus had a direct negative impact on the mandatory covenant test as of December 31, 2020. For this reason, FACC proactively initiated negotiations with its syndicate banks in August 2020 in order to temporarily adjust the syndicate agreement to the changed overall conditions. An agreement was reached on December 21, 2020. In addition, the agreement stipulates that no profit distributions are to be undertaken before June 30, 2022. As part of the agreement, the margin grid was also adjusted to the new circumstances.

Due to the ruling of a London arbitration court on the legal dispute with a supplier, which had a negative impact on the earnings and financial situation of the FACC Group, the financial covenant of net financial debt/EBITDA in the syndicated loan agreement had to be readjusted in November 2021. The negotiations with the syndicate banks were successfully concluded on December 30, 2021. The following adjustment to the financial covenant was made:

	31.12.2021	30.06.2022	31.12.2022	30.06.2023
Net Financial Debt/EBITDA	5.25[1)]	5.25[2)]	4.5	4.0

1) The result will be corrected for the negative effects of the London arbitration ruling.
2) EBITDA for the first half of 2022 extrapolated on a 12-month basis

The financial covenants as of June 30, 2022, were fulfilled

As of the balance sheet date June 30, 2022, FACC has unused committed credit facilities in the amount of EUR 100.0 million at its disposal.

The share capital of the company amounts to EUR 45.8 million and is fully paid in. It is divided into 45,790,000 no-par value shares of EUR 1 each.

Outlook

FACC continues to expect increasing customer demand based on today's market assessment. The latest FACC customer disclosures confirm an increase in aircraft deliveries also in the second half of the year.

In addition to increasing sales, priorities in the second half of the year have been defined as follows:

- Following the successful opening of the new manufacturing plant in Croatia, expansion stages 2 and 3 providing an important future-oriented increase in capacity, will be launched with immediate effect.
- If the Ukraine-Russia conflict with Europe escalates further, this could possibly lead to a halt in the supply of natural gas imports. FACC set up a task force when the war broke out. Since the very beginning, it has addressed potential impacts and how to prevent these, particularly with regard to supply shortages of natural gas. The steps needed to become independent of gas imports have already been taken. This means that FACC can fall back on alternative energy resources and is independent of Russian gas imports.
- The production rates for Airbus short- and medium-haul aircraft (A320 family) are currently expected to increase from an average of 45 units per month at the end of 2021 to approximately 65 units per month in 2023. A further increase in demand is expected to result from the increase in the production rate of the Airbus A350 from five to six aircraft from 2023 onwards. The resumption of Boeing 787 aircraft deliveries will serve as a positive signal for the sector, as deliveries for this program were non-existent in the first half of the year.

- There is also a positive development to report on the Chinese market regarding the approval of the COMAC C919 aircraft, which is expected by the end of 2022. Series production will start in parallel with certification and provide additional revenues for FACC.

- The recent announcement of a new contract awarded in the UAM business area is also particularly gratifying. FACC was selected to develop and manufacture the fuselage and wing elements for the Californian company Archer Aviation Inc, one of the market leaders in this field.

Based on the current order situation, management is able to confirm the forecasts for the 2022 financial year. An increase in sales of around 10 percent is expected for the financial year. The planned EBIT will develop positively accordingly and be in the low double-digit million-euro range - essentially, the management expects a tripling of the operating EBIT for the 2021 financial year.

Consolidated Profit and Loss Statement

for the period from 1 January 2022 to 30 June 2022

	01.04.2021 – 30.06.2021 EUR'000	**01.04.2022 – 30.06.2022 EUR'000**	01.01.2021 – 30.06.2021 EUR'000	**01.01.2022 – 30.06.2022 EUR'000**
Revenues	122,085	142,668	240,188	270,145
COGS - Cost of goods sold	–110,349	–132,667	–220,417	–250,990
Gross profit	**11,737**	**10,001**	**19,770**	**19,155**
Research and developement expenses	–354	–297	–879	–574
Selling expenses	–1,669	–2,598	–2,994	–4,220
Administration expenses	–9,923	–8,093	–17,250	–17,523
Other operating income	2,833	4,333	4,567	9,969
Other operating expenses	–133	–231	–360	–712
Earnings before interest and taxes (EBIT)	**2,491**	**3,115**	**2,854**	**6,095**
Financing expenses	–1,797	–2,202	–3,217	–4,702
Other financial result	447	440	860	843
Financial result	**–1,351**	**–1,762**	**–2,357**	**–3,859**
Earnings before taxes (EBT)	**1,140**	**1,354**	**498**	**2,236**
Income taxes	2,711	–1,259	2,656	–2,751
Earnings after taxes	**3,851**	**94**	**3,154**	**–516**
Diluted (=undiluted) earnings per share (in EUR)	**0.08**	**0.00**	**0.07**	**–0.01**
Issued shares (in shares)	**45,790,000**	**45,790,000**	**45,790,000**	**45,790,000**

Consolidated Statement of Comprehensive Income

for the period from 1 January 2022 to 30 June 2022

	01.04.2021 – 30.06.2021 EUR'000	**01.04.2022 – 30.06.2022 EUR'000**	01.01.2021 – 30.06.2021 EUR'000	**01.01.2022 – 30.06.2022 EUR'000**
Earnings after taxes	3,851	94	3,154	–516
Currency translation differeneces from consolidation	–12	201	191	318
Cash flow hedges	–1,581	–17,238	–10,306	–21,162
Tax effect	395	4,137	2,576	5,008
Items subsequently reclassified to profit and loss	–1,197	–12,900	–7,538	–15,837
Revaluation effects of termination benefits	5	–27	11	–54
Fair value measurement of securities (fair value through other comprehensive income)	1	–34	–0	–58
Tax effect	–2	15	–3	–13
Items not subsequently reclassified to profit and loss	5	–46	8	–126
Other comprehensive income after taxes	–1,192	–12,946	–7,530	–15,963
Total comprehensive income	2,659	–12,852	–4,376	–16,478

Consolidated Statement of Financial Position

as of 30 June 2022

ASSETS

	As of 31.12.2021 EUR'000	**As of 30.06.2022 EUR'000**
Intangible assets	5,354	4,854
Property, plant and equipment	166,830	161,001
Receivables from customer-related engineering	27,742	28,793
Contract assets	2,576	2,913
Contract costs	88,306	84,757
Other financial assets	497	439
Receivables from related companies	5,638	0
Other receivables	9,987	10,036
Deferred taxes	16,762	18,916
Non-current assets	**323,694**	**311,708**
Inventories	90,775	110,238
Customer-related engineering	6,170	7,144
Trade receiveables	53,023	63,572
Receivables from related companies	18,749	29,750
Current tax income receivables	197	202
Other receivables and deferred items	36,892	45,248
Cash and cash equivalents	114,966	70,098
Current assets	**320,772**	**326,251**
Balance sheet total	**644,465**	**637,960**

EQUITY AND LIABILITIES

	As of 31.12.2021 EUR'000	**As of 30.06.2022 EUR'000**
Share capital	45,790	45,790
Capital reserve	221,459	221,459
Currency translation reserve	–555	–238
Other reserves	–8,352	–24,632
Retained earnings	–52,340	–52,856
Equity	**206,002**	**189,523**
Promissory note loans	70,000	70,000
Lease liabilities	72,853	69,222
Other financial liabilities	9,580	6,929
Derivative financial instruments	1,737	9,472
Investment grants	8,405	8,369
Employee benefit obligations	9,600	10,017
Other liabilities	0	2
Deferred tax liabilities	377	410
Non-current liabilities	**172,553**	**174,421**
Lease liabilities	6,726	7,695
Other financial liabilities	133,610	127,747
Derivative financial instruments	6,448	27,929
Contract liabilities from customer-related engineering	12,714	9,709
Trade payables	53,305	51,927
Liabilities from related companies	10,237	7,486
Investment grants	1,124	1,124
Income tax liabilities	290	313
Other provisions	30,691	22,285
Other liabilities and deferred items	10,766	17,801
Current liabilities	**265,911**	**274,016**
Balance sheet total	**644,465**	**637,960**

Consolidated Statement of Changes in Equity

for the period from 1 January 2022 to 30 June 2022

	Attributable to shareholders of the parent company			
	Share capital EUR'000	Capital reserve EUR'000	Currency translation reserve EUR'000	
As of 1 January 2021	45,790	221,459	–954	
Derecognition of non-controlling interests	0	0	0	
Earnings after taxes	0	0	0	
Other comprehensive income after taxes	0	0	191	
Total comprehensive income	0	0	191	
As of 30 June 2021	45,790	221,459	–762	
As of 1 January 2022	45,790	221,459	–555	
Earnings after taxes	0	0	0	
Other comprehensive income after taxes	0	0	318	
Total comprehensive income	0	0	318	
As of 30 June 2022	45,790	221,459	–238	

	Attributable to shareholders of the parent company						
	Other reserves						
	Securities - fair value through other comprehensive income EUR'000	Cash flow hedges EUR'000	Reserves IAS 19 EUR'000	Retained earnings EUR'000	Total EUR'000	Non-controlling interests EUR'000	Total equity EUR'000
	10	**8,699**	**–3,159**	**–28,757**	**243,089**	**68**	**243,157**
	0	0	0	12	12	–68	–56
	0	0	0	3,154	3,154	0	3,154
	–0	–7,729	8	0	–7,530	0	–7,530
	–0	**–7,729**	**8**	**3,166**	**–4,364**	**–68**	**–4,432**
	10	**970**	**–3,150**	**–25,591**	**238,725**	**0**	**238,725**
	8	**–5,346**	**–3,014**	**–52,340**	**206,002**	**0**	**206,002**
	0	0	0	–516	–516	0	–516
	–44	–16,155	–81	0	–15,963	0	–15,963
	–44	**–16,155**	**–81**	**–516**	**–16,478**	**0**	**–16,478**
	–36	**–21,501**	**–3,095**	**–52,856**	**189,523**	**0**	**189,523**

Consolidated Statement of Cash Flows

as of 30 June 2022

	01.01.2021 – 30.06.2021 EUR'000	**01.01.2022 – 30.06.2022 in Mio. EUR**
Earnings before taxes (EBT)	498	2,236
Plus financial result	2,357	3,859
Earnings before interest and taxes (EBIT)	**2,854**	**6,095**
Plus/minus		
Depreciation, amortisation and impairment	11,585	11,359
Amortisation contract costs	6,142	7,794
Additions contract costs	–6,154	–4,245
Income from the reversal of investment grants	–154	–161
Change in employee benefit obligations	404	363
Other non-cash expenses/income	–5,002	282
	9,676	21,486
Change in working capital		
Change in inventory and customer-related engineering	10,340	–20,364
Change in trade receivables and other receivables, receivables from customer-related engineering and contract assets	–16,886	–19,478
Change in trade payables and other liabilities	15,219	–2,640
Change in current provisions	512	–8,407
Cash flow from ongoing activities	**18,860**	**–29,403**
Interest received	32	10
Income taxes paid	0	0
Cash flow from operating activities	**18,893**	**–29,392**
Payments for the acquisition of non-current assets	–5,693	–4,037
Proceeds from the disposal of non-current assets	0	17
Cash flow from investing activities	**–5,693**	**–4,020**
Proceeds from interest-bearing liabilities	1,060	1,918
Repayments of interest-bearing liabilities	–33,413	–10,432
Outflows from leasing agreements	–4,295	–4,255
Interest paid	–3,346	–4,390
Cash flow from financing activities	**–39,994**	**–17,159**
Net changes in cash and cash equivalents	**–26,795**	**–50,571**
Cash and cash equivalents at the beginning of the period	92,548	114,966
Effects from foreign exchange rates	929	5,703
Cash and cash equivalents at the end of the period	**66,682**	**70,098**

Selected Notes

To the consolidated financial statements for the first half of 2022

GENERAL INFORMATION

The FACC Group (hereinafter referred to as FACC) with headquarters in Ried im Innkreis, 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 2201, 22/F, Fairmont House, 8 Cotton Tree Drive, Admiralty, Hong Kong), company number 1394811.

SUMMARY OF KEY ACCOUNTING AND VALUATION METHODS

1. Basics of preparation of the Interim Consolidated Financial Statements

The Interim Consolidated Financial Statement of 30 June 2022 was prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) and the interpretations of the IFRS Interpretations Committee (IFRIC), as to be applied within the European Union (EU) and in accordance with IAS 34 (Interim Financial Reporting).

The condensed Interim Consolidated Financial Statement does not contain all the information and disclosures required for the preparation of a consolidated financial statement at the end of the financial year, and is therefore to be consulted in conjunction with the Consolidated Financial Statement of 31 December 2021.

The accounting and valuation principles, which form the basis for this Interim Consolidated Financial Statement are consistent with those applied as of 31 December 2021.

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

2. Use of assumptions and estimates

The preparation of the Consolidated Financial Statements requires management to make use of certain estimates and assumptions which impacted on amounts of the reported assets and liabilities as well as on the contingent liabilities, of 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.

Estimates and discretionary powers are explained in Note 7 - Estimates and discretionary powers, to the Consolidated Financial Statement of FACC AG as of 31 December 2021.

3. Seasonality of business

The Group's business operations are subject to only minor seasonal fluctuations.

4. Consolidated companies

The interim financial statements of the subsidiaries included in the Interim Consolidated Financial Statement related to the uniform interim reporting date of 30 June 2022 and were prepared in accordance with IFRS, as to be applied within the European Union. The individual financial statements of FACC AG and its subsidiaries are incorporated into the Consolidated Financial Statement in compliance with the uniform accounting and valuation methods applicable to the Group.

The consolidated companies of the FACC-Group as of 30 June 2022 has not changed compared to the scope of consolidated companies as of 31 December 2021.

5. Impact of Russia-Ukraine crisis

FACC established a task force at the beginning of the crisis in mid-February to monitor the resulting consequences and to manage the crisis.

The war in Ukraine and the associated repercussions have little impact on FACC - there are no FACC supply chains in either Ukraine or Russia. The annual supply volume of FACC aircraft components for civil Russian applications amounts to less than 0.25 percent of the planned consolidated revenues on an annual basis.

The sanctions imposed on Russia by the EU and international partners, as well as the counter-sanctions imposed by Russia, caused energy prices to rise sharply.

Dependence on fossil fuels has been steadily reduced in recent years. Additional investments are intended to make it possible to achieve complete independence from gas supplies.

The FACC Group does not have any material assets in Ukraine and Russia.

Please also refer to the Management Report for further details in connection with Russia-Ukraine crisis.

NOTES TO FINANCIAL INSTRUMENTS

6. 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	Non-Applicable	Non-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.	Non-Applicable	Non-Applicable
Trade receivables (within factoring)	Carrying amount as a best estimate of fair values	Non-Applicable	Non-Applicable
Financial instruments not measured at fair value			
Other interst-bearing liabilities	Discounting of cash flows	Risk premium for own credit risk	Non-Applicable

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

7. 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.

		Fair value			
	Carring amount 31.12.2021 EUR'000	Total 31.12.2021 EUR'000	Level 1 EUR'000	Level 2 EUR'000	Level 3 EUR'000
Valuation at amortised cost					
Other financial assets - securities (unquoted)	71	0	0	0	0
Receivables from related companies, non-current	5,638	0	0	0	0
Other receivables	9,987	0	0	0	0
Trade receiveables	53,023	0	0	0	0
Receivables from related companies, current	18,749	0	0	0	0
Other receiveables and deferred items	11,593	0	0	0	0
Cash and cash equivalents	114,966	0	0	0	0
	214,027	**0**	**0**	**0**	**0**
Fair value through other comprehensive income					
Trade receivables (within factoring)	0	0	0	0	0
Other financial assets - securities (quoted)	426	426	426	0	0
	426	**426**	**426**	**0**	**0**
Valuation at amortised cost					
Financial liabilities (without lease liabilities)	213,190	213,190	0	0	213,190
Trade payables	53,305	0	0	0	0
Liabilities from related companies	10,237	0	0	0	0
Other financial liabilities	6,118	0	0	0	0
	282,849	**213,190**	**0**	**0**	**213,190**
Fair value through profit and loss					
Derivative financial instruments	8,185	8,185	0	8,185	0
	8,185	**8,185**	**0**	**8,185**	**0**

		Fair value			
	Carrying amount 30.06.2022 EUR'000	Total 30.06.2022 EUR'000	Level 1 EUR'000	Level 2 EUR'000	Level 3 EUR'000
Valuation at amortised cost					
Other financial assets - securities (unquoted)	71	0	0	0	0
Receivables from related companies, non-current	0	0	0	0	0
Other receivables	10,036	0	0	0	0
Trade receiveables	63,572	0	0	0	0
Receivables from related companies, current	29,750	0	0	0	0
Other receiveables and deferred items	11,636	0	0	0	0
Cash and cash equivalents	70,098	0	0	0	0
	185,164	0	0	0	0
Fair value through other comprehensive income					
Trade receivables (within factoring)	0	0	0	0	0
Other financial assets - securities (quoted)	368	368	368	0	0
	368	368	368	0	0
Valuation at amortised cost					
Financial liabilities (without lease liabilities)	204,676	204,676	0	0	204,676
Trade payables	51,927	0	0	0	0
Liabilities from related companies	7,486	0	0	0	0
Other financial liabilities	9,609	0	0	0	0
	273,698	204,676	0	0	204,676
Fair value through profit and loss					
Derivative financial instruments	37,401	37,401	0	37,401	0
	37,401	37,401	0	37,401	0

8. Derivative financial instruments, hedge accounting and fair value hedge

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

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

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

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

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

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

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

Furthermore, forward exchange contracts in US dollars (volumene: kUSD 30,000; previous year: kUSD 35,000) were concluded for the purpose of hedging the exchange rate of receivables from customer-related engineering.

9. Financial risk

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

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

Currency risk

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

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

Interest rate risk

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

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.

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 operative segments were created:

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

In addition to the three operative segments, the Group also comprises the central services Finance and Controlling, Human Resources, Legal, Quality Assurance, Research & Developement, Communication & Marketing, Purchasing and IT (including Engineering Services). The central services support the operative 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.

30.06.2021	Aerostructures EUR'000	Engines & Nacelles EUR'000	Cabin Interiors EUR'000	Total EUR'000
Revenues	84,502	51,642	104,044	**240,188**
Earnings before interest and taxes (EBIT)	1,016	4,069	–2,231	**2,854**
Investments	2,986	499	2,209	**5,693**
Depreciation, amortisation and impairment	5,555	2,642	3,387	**11,585**
Assets on 30 June 2021	269,096	118,689	242,910	**630,695**
thereof non-current assets on 30 June 2021	*143,143*	*49,859*	*106,918*	***299,920***

30.06.2022	Aerostructures EUR'000	Engines & Nacelles EUR'000	Cabin Interiors EUR'000	Total EUR'000
Revenues	102,621	45,435	122,089	**270,145**
Earnings before interest and taxes (EBIT)	4,186	2,418	–510	**6,095**
Investments	1,872	534	1,631	**4,037**
Depreciation, amortisation and impairment	5,037	2,513	3,808	**11,359**
Assets on 30 June 2022	264,145	108,622	265,193	**637,960**
thereof non-current assets on 30 June 2022	*133,397*	*42,685*	*106,236*	***282,318***

NOTES TO THE CONSOLIDATED PROFIT AND LOSS STATEMENT

Due to changes in estimates of receivables from customer-related engineering services, revenues decreased by kEUR 1,013 (previous year: revenues increased by kEUR 942).

Other operating income includes kEUR 5,000 in COVID-19 grants.

Please refer also to the Management Report for significant changes to the Profit and Loss Statement.

NOTES TO THE CONSOLIDATED STATEMENT OF FINACIAL POSITION

Revenue adjustment in the amount of kEUR -1.013 (31 December 2021: kEUR -1,582) was applied to receivables from customer-related engineering services due to changes in estimates.

Non-current receivables from related companies are expected to be settled within the next 12 months. Therefore, they are now reported under current receivables from related companies.

Trade receivables increased by kEUR 10,550. The stabilization of the market has given rise to more steady production volumes and monthly sales at FACC, which translate into an increase of trade receivables.

Owing to the current result (kEUR -516), equity changed to kEUR 189,523.

Due to the USD exchange rate development, the USD hedges developed strongly negatively. This led to an increase in non-current and current liabilities and a reduction in equity.

The financial covenants (net financial debt/EBITDA) in the syndicated loan agreement, which were adjusted on 30December 2021, were met as of 30 June 2022 (see additionally Note 38 - Financial liabilities in the Annual Report 2021).

Please also refer to the Management Report for further significant changes to the Consolidated Statement of Financial Position.

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Please also refer to the Management Report for significant changes to the Consolidated Statement of Cash Flows.

TRANSACTIONS WITH RELATED COMPANIES AND PERSONS

Transactions with related companies and persons outside the scope of consolidation of FACC AG were concluded in the period from 1 January 2022 to 30 June 2022 on arm's length terms.

	Receivables 31.12.2021 EUR'000	Liabilities 31.12.2021 EUR'000	Revenues and other income 1 half year 2021 EUR'000	Expenses 1 half year 2021 EUR'000
Companies with significant influence on the Group:	95	0	4	58
Joint venture in which the parent undertaking is involved:	24,292	10,237	11,570	14,330
	24,387	**10,237**	**11,574**	**14,388**

	Receivables 30.06.2022 EUR'000	Liabilities 30.06.2022 EUR'000	Revenues and other income 1 half year 2022 EUR'000	Expenses 1 half year 2022 EUR'000
Companies with significant influence on the Group:	53	0	130	0
Joint venture in which the parent undertaking is involved:	29,697	7,486	13,788	10,884
	29,750	**7,486**	**13,918**	**10,884**

In addition, a consulting agreement with Maffeo Aviation Consulting, Woodinville, USA, which is controlled by a former member of the Supervisory Board, existed in financial year 2022. This agreement was terminated as of 31 May 2022. The consulting agreement amounted to kEUR 38 (previous year: kEUR 13) in the first half financial year 2022, of which kEUR 0 (previous year: kEUR 0) had not yet been paid on the balance sheet date.

Transactions with related parties are subject to the general provision for allowances. Guarantees were neither granted nor received.

EARNINGS PER SHARE

The number of shares issued as of the interim balance sheet date was 45,790,000. 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 -0.01 (30.06.2021: EUR 0.07) were calculated by dividing the result by the weighted number of shares attributable to the shareholders of the parent company.

EVENTS AFTER THE INTERIM BALANCE SHEET DATE

No events requiring disclosure took place after the interim balance sheet date, 30 June 2022.

NOTE

The condensed Consolidated Interim Financial Statement as of 30 June 20222 has been prepared in accordance with the rules and regulations of "Prime market - Section Interim Reports" of the Vienna Stock Exchange.

The reporting currency is Euro (EUR). All figures presented in the condensed Consolidated Interim Financial Statement are quoted in thousands of euros (EUR'000), unless otherwise stated.

Rounding errors may occur when adding rounded amounts and percentages due to the use of automated invoicing aids.

WAIVER OF AUDIT REVIEW

The present consolidated interim financial statement has neither been audited nor reviewed.

DECLARATION OF THE LAWFUL REPRESENTATIVES PURSUANT TO SECTION 125 PARAGRAPH 1 OF THE AUSTRIAN STOCK EXCHANGE ACT

We hereby confirm to the best of our knowledge that the condensed Interim Consolidated Financial Statement as of 30 June 2022, which has been prepared in accordance with the applicable set of accounting standards, gives a true and fair view of the assets, liabilities, financial position and earnings performance of the Group.

We further confirm that the condensed Group Management Report gives a true and fair view of the assets, liabilities, financial position and earnings performance of the Group with respect to important events which occurred during the first six months of the financial year and their impact on the condensed Interim Consolidated Financial Statement, the principal risks and uncertainties during the remaining six months of the financial year and major transactions with related companies and persons requiring disclosure.

Ried im Innkreis, 17 August 2022

Robert Machtlinger m. p.
Chairman of the Management Board

Andreas Ockel m. p.
Member of the Management Board

Aleš Stárek m. p.
Member of the Management Board

Yongsheng Wang m. p.
Member of the Management Board

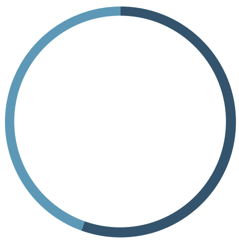
Investor Relations

BASIC INFORMATION ABOUT THE FACC SHARE

International Securities Identification Number (ISIN)	AT00000FACC2
Currency	EUR
Stock market	Vienna (XETRA)
Market segment	Prime market (official trading)
Initial listing	25.06.2014
Issue price	9.5 EUR
Paying agent	ERSTE GROUP
Indices	ATX, ATX GP, ATX IGS, ATX Prime, WBI
Share class	Ordinary shares
Ticker symbol	FACC
Reuters symbol	FACC.VI
Bloombergs symbol	FACC AV
Shares outstanding	45,790,000 shares

SHAREHOLDER STRUCTURE AND SHARE CAPITAL

FACC AG's share capital amounts to EUR 45,790,000 and is divided into 45,790,000 no-par value shares. The Aviation Industry Corporation of China holds 55.5% of voting rights of FACC AG via AVIC Cabin System Co., Ltd (previously FACC International).
The remaining 44.5% of shares represent free float and are held by both international and Austrian investors.
FACC AG did not hold any treasury shares at the end of the reporting period.



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