

NATIONAL COMPANY «AEROPORTURI BUCUREȘTI S.A.»

**FINANCIAL STATEMENTS
FOR THE FISCAL YEAR CONCLUDED ON
DECEMBER 31, 2018**

**Drawn up in accordance with OMFP no. 2844/2016 on the approval
of the Accounting regulations aligned to the
International Financial Reporting Standards (IFRS)**

Contents

STATEMENT OF FINANCIAL POSITION	5
COMPREHENSIVE INCOME STATEMENT	7
STATEMENT OF CHANGES IN OWN EQUITY	8
STATEMENT OF CASH FLOWS FOR 2018	9
EXPLANATORY NOTES TO THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT FOR THE FISCAL YEAR CONCLUDED ON 31.12.2018	10
2 Explanatory note no. 1 - Information about the company	10
1.1 General information	10
1.2 Organisation and operation of the company	10
1.3 Structure of the salary fund and the staff collective	13
2 Explanatory note no. 2 - Significant accounting policies	14
2.1 Fundamentals for drawing up financial statements	14
2.2 New accounting regulations	14
2.3 Bases for assessment	15
2.4 Functional and presentation currency	15
2.5 Use of estimates and professional judgements	15
2.6 Business continuity	15
2.7 Foreign currencies	16
2.8 Accrual-based accounting	-16
2.9 Materiality threshold and aggregation	16
2.10 Offsetting	16
2.11 Comparative information	16
2.12 Tangible assets	17
3 Explanatory note no. 3 - The company's operational framework in Romania	18
3.1 Intangible assets	19
3.2 Financial fixed assets	19
3.3 Customers and similar accounts	20
3.4 Value added tax	20
3.5 Stocks	20
3.6 Cash and cash equivalents	20
3.7 Impairments	20
3.7 Share capital	21
3.9 Current and deferred corporate income tax	21
3.10 Trade and other payables	22
3.11 Employee benefits	23
3.12 Profit sharing and premiums	25

3.13	Acknowledgment of revenues	25
3.14	Earnings per share	25
3.15	Affiliated parties.....	26
4	Explanatory note no. 4 – Reconciliation of the statement of financial position.....	27
4.1	Reconciliation of the statement of financial position as at 31.12.2014 (first adoption of IFRS)	27
4.2	Reconciliation of the statement of financial position as at 31.12.2015.....	29
4.3	Reconciliation of the statement of financial position as at 31.12.2016.....	31
4.4	Reconciliation of the statement of financial position as at 31.12.2017.....	33
5	Explanatory note no. 5 - Fixed assets	35
5.1	Tangible assets.....	35
5.2	Intangible assets.....	40
5.3	Financial fixed assets	41
	Long-term receivables – guarantees with third parties, equity investments and equity investments subjected to the equity method	42
6	Explanatory note no. 6 - Current assets	44
6.1	Stocks	45
6.2	Receivables.....	46
6.2.1	Trade receivables.....	46
6.2.2	Customers.....	47
6.2.3	Advance payments to suppliers for provisions of services	47
6.2.4	Doubtful customers	48
6.2.5	Customers - invoices to be issued.....	48
6.2.6	Other receivables.....	49
6.2.7	Status of settlements from joint operations – asset	50
6.2.8	Short-term investments.....	50
6.2.9	Petty cash and bank accounts	50
6.2.10	Deferred expenses	52
7	Explanatory note no. 7 - Liabilities	53
7.1	Current liabilities	54
7.2	Long-term liabilities	55
7.3	Concessions of goods from the state public domain	56
8	Explanatory note no. 8 - Provisions.....	56
9	Explanatory note no. 9 - Deferred income.....	61
9.1	Investment subsidies.....	61
9.2	Deferred income	61
10	Explanatory note no. 10 - Shareholders' equity.....	62
10.1	Shareholders' equity.....	62

10.2	Share capital.....	63
10.3	Revaluation reserves	65
10.4	Reserves	65
10.4.1	Legal reserves.....	65
10.4.2	Other reserves.....	65
10.5.	Balance carried forward	67
10.5.1	Balance carried forward, except for the balance carried forward on the first adoption of IAS 29	67
10.5.2	Balance carried forward on the first adoption of IAS 29	68
11	Reconciliation of comprehensive income	69
11.1	Reconciliation of comprehensive income as at 31.12.2015 (first adoption of IFRS)	69
11.2	Reconciliation of comprehensive income as at 31.12.2016.....	70
11.3	Reconciliation of comprehensive income as at 31.12.2017.....	71
12	Explanatory note no. 12 - Revenues	72
13	Explanatory note no. 13 - Expenses.....	73
14	Explanatory note no. 14 - Analysis of the main economic and financial indicators	75
15	Explanatory note no. 15 - Events occurred subsequent to the balance sheet date	77

STATEMENT OF FINANCIAL POSITION

	<u>Note</u>	31.12.2018	31.12.2017	31.12.2016	31.12.2015
ASSETS					
Tangible assets	5.1	4,120,390,942	4,070,022,905	4,217,967,491	4,433,793,666
Real estate investments		1,054,879	1,150,665	0	0
Intangible assets	5.2	210,916	40,494	112,252	154,704
Financial fixed assets	5.3	14,438,461	27,415,638	29,531,415	27,956,725
Total fixed assets	5	4,136,095,198	4,098,629,702	4,247,611,158	4,461,905,095
Stocks	6.1	19,244,552	13,534,124	11,408,436	12,698,074
Trade and other receivables	6.2	111,464,347	97,908,635	86,610,562	69,352,411
Short-term investments	6.2.8	30,300,000	50,000,000	0	77,867,500
Cash and cash equivalents		270,072,426	255,451,252	499,333,068	283,599,403
Advance payments		1,315,034	562,622	837,554	284,160
Total current assets	6	432,396,359	417,456,633	598,189,620	443,801,548
TOTAL ASSETS		4,568,491,557	4,516,086,335	4,845,800,778	4,905,706,643
LIABILITIES					
Current liabilities	7				
Trade and other payables	7.1	47,445,255	48,360,810	41,621,233	38,469,786
Advance payments from customers	7.1	50,134,003	44,533,523	47,729,850	33,665,942
Short-term bank loans		0	0	41,153,719	41,003,281
Liabilities in relation to the current corporate income tax	7.1	13,190,671	11,328,644	7,491,093	5,846,294
Investment subsidies < 1 year	9.1	15,726,195	16,697,785	10,307,425	12,137,698
Total current liabilities		126,496,124	120,920,762	148,303,320	131,123,001
Long-term liabilities	7.2				
Long-term bank loans		0	0	123,461,156	164,013,125
Long-term provisions		47,091,145	44,512,485	56,677,844	59,457,747
Employee benefits		29,349,212	24,714,551	28,073,411	18,410,117

Deferred corporate income tax		54,204,814	28,578,113	38,362,331	26,347,307
Investment subsidies > 1 year	9.1	198,151,295	212,959,177	232,004,679	242,350,154
Other long-term liabilities	7.2	0	0	1,271,381	2,533,467
Total long-term liabilities		328,796,466	310,764,326	479,850,802	513,111,917
TOTAL LIABILITIES		455,292,590	431,685,088	628,154,122	644,234,918

	Note	31.12.2018	31.12.2017	31.12.2016	31.12.2015
SHAREHOLDERS' EQUITY	10				
Share capital, of which:	10.2	143,772,150	143,772,150	143,772,150	143,772,150
- subscribed share capital paid		143,772,150	143,772,150	143,772,150	143,772,150
Share capital adjustments	10.1	64,277,781	64,277,781	64,277,781	64,277,781
Other shareholders' equity elements	10.1	-62,366,975	-31,761,842		
Revaluation reserves	10.3	252,689,897	117,080,820	156,986,134	87,152,078
Legal reserves	10.4	28,754,430	28,754,430	28,754,430	28,754,430
Other reserves	10.4	2,920,327,300	3,041,547,852	3,221,018,553	3,385,261,533
Balance carried forward (117)	10.5	320,656,251	353,248,029	279,660,029	273,854,103
Balance carried forward (118)	10.5	73,265,740	76,796,989	98,477,283	98,477,283
Fiscal year profit		371,822,393	290,685,038	224,700,296	179,922,367
Total shareholders' equity	12	4,113,198,967	4,084,401,247	4,217,646,656	4,261,471,725
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		4,568,491,557	4,516,086,335	4,845,800,778	4,905,706,643

GENERAL MANAGER,

GABRIEL STOE

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CHIEF FINANCIAL OFFICER,

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COMPREHENSIVE INCOME STATEMENT

	<u>2018</u>	<u>2017</u>	<u>2016</u>
OPERATING INCOME			
Net turnover, of which:	972,932,742	875,220,802	740,969,028
- Income from rendering airport and similar services	970,913,673	873,133,949	738,485,566
- Income from sales of merchandises	2,019,069	2,086,853	2,483,462
Income related to costs with stocks of products (D)	33,364	6,902	5,225
Income from subsidies	15,725,399	12,601,774	12,182,421
Other operating income	3,869,479	2,586,822	1,517,368
TOTAL OPERATING INCOME	992,560,984	890,402,496	754,663,592
OPERATING EXPENSES			
Expenses with raw materials and consumables	40,273,162	27,532,072	22,759,487
Staff expenditure	210,625,944	188,136,847	162,375,109
Value adjustments related to assets	109,641,737	159,557,761	121,154,069
Other operating expenses	178,909,240	193,148,194	177,858,738
Adjustments for provisions	7,209,844	-15,524,218	6,883,391
TOTAL OPERATING EXPENSES	546,659,927	552,850,656	491,030,794
OPERATING PPROFIT	445,901,057	337,551,840	263,632,798
Financial income	13,243,533	23,539,839	29,442,327
Financial expenses	19,378,138	17,890,122	25,147,411
Financial profit	-6,134,605	5,649,717	4,294,916
Profit before tax	439,766,452	343,201,557	267,927,714
Expenses with the current corporate income tax	75,255,473	60,893,650	45,466,950
Income from deferred corporate tax	7,311,414	8,377,131	2,239,532
Fiscal year profit	371,822,393	290,685,038	224,700,296
Other comprehensive income elements	112,940,891		
- revaluation surplus	113,808,930	-	-
- errors from previous fiscal years	(868,039)		
Total comprehensive income	484,763,284	290,685,038	224,700,296
	14,377,215	14,377,215	14,377,215
Average number of shares			
Earnings per share	25.8619	20.2185	15.6289

GENERAL MANAGER,

GABRIEL STOE

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CHIEF FINANCIAL OFFICER,

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STATEMENT OF CHANGES IN OWN EQUITY

Element designation	Balance as at January 01, 2018	Increases	Decreases	Balance as at December 31, 2018
Subscribed capital (ct.1012 P)	143,772,150			143,772,150
Share capital adjustments (IAS 29) (acct.1028 B)	64,277,781			64,277,781
Other shareholders' equity elements (acct.103)	-31,761,842	-32,938,115	-2,332,982	-62,366,975
Revaluation reserves (105 P)	117,080,820	217,991,169	82,382,092	252,689,897
Legal reserves	28,754,430			28,754,430
Other reserves	3,041,547,852	28,779,448	150,000,000.00	2,920,327,300
Balance carried forward (1171)		458,774,881	458,774,881	-
Balance carried forward from the correction of accounting errors (1174 B)	-2,809,318	3,792,579	1,851,301	-868,040
Balance carried forward representing surplus from revaluation reserves (1175 P)	81,430,746	11,149,705	1,771,453	90,808,998
Balance carried forward, except for the balance carried forward on the adoption of IAS 29 (1177 B)	252,946,307		46,869,292	206,077,015
Balance carried forward representing surplus generated from the Outturn according to IAS29 (P) (acct.1175)	21,680,294	3,519,512	561,528	24,638,278
Balance carried forward on the adoption of IAS 29 (118 B)	76,796,989		3,531,219	73,265,740
Fiscal year profit or loss	290,685,038	1,089,991,382	1,008,854,027	371,822,393
Total shareholders' equity	4,084,401,247	1,781,060,561	1,752,262,841	4,113,198,967

GENERAL MANAGER,

GABRIEL STOE

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CHIEF FINANCIAL OFFICER,

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STATEMENT OF CASH FLOWS FOR 2018

Cash flows are reported using *the direct method*, by means of which the main classes of payments and gross cash receipts are disclosed, and using *the indirect method*, by means of which the net profit or the net loss is adjusted with trade notes from non-monetary transactions, payment deferrals or commitments or past or future operating proceeds, and income and expenditure elements associated to cash flows from investments or financing.

STATEMENT OF CASH FLOWS FOR 2018

The direct method

Indicators	2019	2018
I. Cash flows from operating activities		
Cash receipts from sales of goods and provisions of services	853,448,206	942,089,109
Cash receipts from royalties, fees, commissions and other earnings	82,365,750	87,965,758
Interest collected	243,792	2,096,745
Cash payments to providers of goods and services	-244,878,349	-238,485,456
Cash payments to and on behalf of employees	-171,929,213	-203,097,385
Other cash payments	-51,033,828	-51,287,376
Interest paid	-1,716,500	0
Corporate income tax paid	-56,528,936	-73,790,830
Net cash flows from operating activities	409,970,922	465,442,822
II. Cash flows from investment activities		
Cash payments to purchase lands and fixed assets, intangible assets and other long-term assets	-26,277,476	-19,967,900
Dividends collected	-3,937,624	5,378,968
Net cash flows from investment activities	-22,339,852	-14,588,932
III. Cash flows from financing activities		
Cash reimbursements of loaned amounts	-166,401,547	
Effect of foreign exchange variations on loans and liabilities	0	
Dividends paid	-415,111,339	-455,965,563
Net cash flows from financing activities	-581,512,886	-455,965,563
Cash flows - Total	-193,881,816	-5,078,826
Cash at the start of the fiscal year	499,333,068	305,484,099
Cash at the end of the fiscal year	305,451,252	300,372,426

GENERAL MANAGER,

GABRIEL STOE

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CHIEF FINANCIAL OFFICER,

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EXPLANATORY NOTES TO THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT FOR THE FISCAL YEAR CONCLUDED ON 31.12.2018

Explanatory note no. 1 - Information about the company

1.1. General information

National Company Aeroporturi București S.A. (CNAB SA or the Company) was created by means of a merger between National Company “Aeroportul Internațional Henri Coanda – București” S.A. (CN AIHCB SA) and National Company “Aeroportul Internațional București Băneasa – Aurel Vlaicu” S.A. (SN AIBB SA), pursuant to GD no. 1208 from 07.10.2009, published in Official Gazette no. 718/23.10.2009.

National Company Aeroporturi București S.A. is headquartered in Otopeni, at 224E Calea Bucureștilor str., Ilfov County, whereas its core business is - Service activities incidental to air transportation - code 5223.

Registration number with the Trade Registration Office is: J23/401/05.02.2010

TIN: 26490194/08.012010

The shares of National Company Aeroporturi București S.A. are not traded.

CNAB SA is a joint-stock majority state-owned trading company, organised and operating based on economic management, having the following shareholding structure:

- 80% - the Romanian state, by means of the Ministry of Transportation
- 20% - Fondul Proprietatea

The Company's share capital is 143,772,150 lei, divided among 14,377,215 shares with a nominal value of 10 lei, 80% of which are owned by the Romanian state and 20% by Fondul Proprietatea.

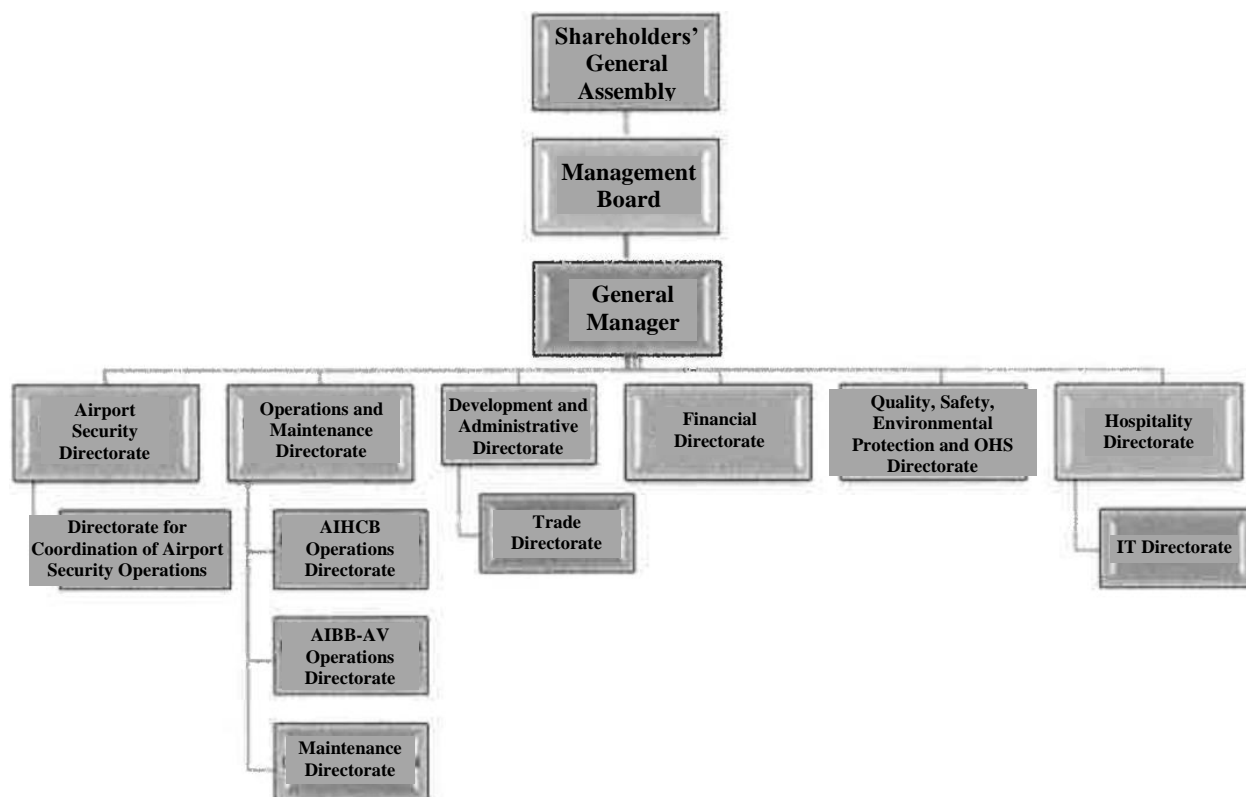
It was established by taking over the assets of CN AIHCB SA, amounting to 143,212,450 lei and those of SN AIBB SA, amounting to 559,700 lei, according to the data in the closing balance sheets of the two companies as at 04.02.2010.

1.2. Organisation and operation of the company

The Company operates based on economic management and in accordance with its articles of incorporation, which are an integral part of GD 1208/2009. The funding sources are secured by means of own revenues, amounts allotted from the state budget, bank loans, foreign loans contracted or guaranteed by the state, non-reimbursable external funding, granted in compliance with the law, as well as legal equity interests and holdings and other legally established sources, all of them secured in accordance with the legislation in force concerning public debt and in line with the community regulations on state aid.

The organisation and operation of the Company are compliant with the regulations provided by Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises, as subsequently amended and supplemented, and, wherever it does not apply, with the provisions of Companies Law no. 31/1990, republished, as subsequently amended and supplemented, and the provisions of Law no. 287/2009 on the Civil Code, republished, as subsequently amended and supplemented.

The Company is managed by the shareholders' general assembly. Its duties and competences are set forth in its memorandum of association, according to the law.



The state capital interests within the shareholders' general assembly are represented by representatives mandated by the Ministry of Transportation, by way of an order of the Minister of Transportation, one of these representatives being appointed on a proposal from the Ministry of Public Finance.

As such, as at the approval date of the present financial statements, the representatives of the shareholders within the SGA are:

1. Voicu Ion Laurențiu – representative of the Ministry of Transportation
2. Mărculeț Petru – representative of the Ministry of Transportation
3. Niculiță Cătălin – representative of Fondul Proprietatea

The Company is managed, as at the drawing-up and approval date of the present financial statements, by the Management Board, the members of which are appointed by the shareholders' general assembly. The Management Board members and president are appointed pursuant to an order of the Minister of Transportation.

1. Bumbac Georgeta – president
2. Gheorghe Dan-Valentin – member
3. Sîrbu Ovidiu Marcel – member
4. Geantă Florian-Daniel – member
5. Neaga Nareis Ștefan – member
6. Macovci Corina Anca – member (appointed on 05.03.2019)
7. Ioniță Ștefan – member (appointed on 05.03.2019)

The top management of National Company Aeroporturi București S.A., as at the approval date of the present financial statements, is ensured by:

1. Stoe Gabriel – General Manager
2. Ursu Cosmin – Deputy General Manager – Airport Security Directorate
3. Smadu Cristinel – Deputy General Manager – Operations and Maintenance Directorate
4. Ivan George Alexandru – Deputy General Manager – Development and Administrative Directorate
5. Mustea Daniela – Chief Financial Officer, Financial Directorate
6. Ciucă Alexandru Mircea – Director, Quality, Safety, Environmental Protection and OHS Directorate
7. Rădulescu Carmen – Director, Hospitality Directorate

In accordance with the provisions of art. 47 in *Emergency ordinance no. 109/2011 on the corporate governance of public enterprises*, as subsequently amended and supplemented, the Company purchased, via a simplified online procedure, financial audit services for the 2016, 2017 and 2018 fiscal years. The procurement contract was concluded with SOCECC SRL, for the amount of 197,000 lei, as also mentioned in awarding notice no. 206340/2017, published in SEAP (*Electronic System for Public Procurement*). The fee for auditing the 2018 financial statements of CN AB SA, for the statutory audit and for auditing the financial statements as per IFRS, as at 31.12.2018, is 59,000 lei.

1.3. Structure of the salary fund and the staff collective

Category	Average staff number		Executed salary fund		Absolute differences	Degree of execution in 2020 as compared to 2019 (%)	Gross average salary lei/person		Absolute differences
	2017	2018	2017	2018			2017	2018	
1. Employees – total number, of which:	1,427	1,447	117,923,821	169,831,350	51,907,529	144	6,886	9,781	2,895
Management personnel	9	10	1,174,147	2,608,966	1,434,819	223	10,872	21,741	10,869
Operating personnel	1,418	1,437	116,749,674	167,222,384	50,472,710	144	6,861	9,697	2,836
2. General Manager	1	1	402,835	390,096	-12,739	97	33,570	32,508	-1,062
3. Management Board and SGA	5	7	482,178	647,271	165,093	135	8,036	7,706	-330
4. Salaries based on holdings									
5. Food vouchers and holiday vouchers	X	X	12,043,280	6,279,090	-5,764,190	X	X	X	X
6. Profit premiums	X	X	4,459,960	5,216,730	756,770	X	X	X	X
Benefits in kind for employees			18,546,100	20,627,860	2,081,760				

Explanatory note no. 2 – Significant accounting policies

When mirroring in the accounting records the economic operations carried out, attention is paid to their economic content, with the observance of the accounting principles, fundamentals, rules and policies allowed by IFRS, as well as the related legislation. The provisions comprised in this chapter do not constitute a legal basis for conducting economic and financial operations, but strictly references as to how they should be entered into the accounting records.

2.1. Fundamentals for drawing up financial statements

Statement of compliance with IFRS.

The individual financial statements were drawn up by applying the International Financial Reporting Standards (IFRS), adopted according to the procedure stipulated by Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of International Accounting Standards, which regulates the manner of implementing these standards and makes it possible for member states to allow or impose, to companies different from those whose securities are admitted to trading on a regulated market, as well, to draw up their annual (individual and/or consolidated) financial statements in accordance with IFRS.

The annual individual financial statements are drawn up pursuant to the requirements of OMFP no. 66612015 and of OMFP no. 2844/2016 on the approval of the Accounting regulations aligned to the International Financial Reporting Standards (IFRS).

In order to draw up the annual individual financial statements pursuant to IFRS, the Company proceeded to take stock of the elements identified as assets, liabilities and shareholders' equity in accordance with OMFP no. 2861/2009 and to evaluate them as per the provisions comprised in IFRS.

The leadership evaluated the Company's capacity to continue conducting its business in the foreseeable future and concluded that the business continuity assumption is adequate in drawing up the financial statements based on this principle.

With the exception of information concerning cash flows, the financial statements are drawn up using accrual-based accounting. According to the accrual-based accounting, an entity will acknowledge items in the financial statements as assets, liabilities, own equity, income and expenditure when they comply with the definitions and acknowledgment criteria in the General conceptual framework for financial reporting.

2.2. New accounting regulations

Standards and interpretations that came into force in the current period

The following standards and amendments to the existing standards, issued by the International Accounting Standard Board (IASB) and adopted by the European Union (EU), came into force in the current period:

- IFRS 15 *Revenue from Contracts with Customers*
- Amendments to IFRS 15 *Revenue from Contracts with Customers* – Clarifications to IFRS 15 *Revenue from Contracts with Customers*

- Amendments to IAS 40 “Investment Property” “- applicable to annual periods beginning on or after January 1, 2018 – The objective of these amendments is to bring clarifications in the case of real estate following a change in use.

- IFRIC 22 “Foreign Currency Transactions and Advance Consideration” - applicable to annual periods beginning on or after January 1, 2018 - the interpretation provides clarifications on how to account for transactions that include the receipt or the payment of advance consideration in a foreign currency.

Amendments to various standards „IFRS improvements (the 2014-2016 cycle) resulting from the annual IFRS Improvement project (IFRS 1 “First adoption of the International Financial Reporting Standards” and IAS 28 “Investments in Associates and Joint Ventures”)- The objective of these changes is to eliminate inconsistencies and clarify certain wording.

The company predicts that the adoption of these standards and amendments to the existing standards will not have a significant impact upon the company’s financial statements during the initial application period.

2.3. Bases for assessment

The financial statements are drawn up based on historical costs and amended so as to include the revaluation of certain tangible assets, and adjusted according to International Accounting Standard 29 “Financial Reporting in Hyperinflationary Economies” up to December 31, 2003. Beyond this date, Romania’s economy is no longer considered hyperinflationary, as the company stopped applying IAS 29 as of January 1, 2004.

2.4. Functional and presentation currency

The financial statements are presented in LEI, this being the functional currency. All the financial information is presented in LEI, rounded up to the nearest unit, unless otherwise provided.

2.5. Use of estimates and professional judgements

Drawing up the financial statements in accordance with IFRS required the leadership to use professional judgements, estimates and assumptions that influence the application of accounting policies and the reported value of assets, liabilities, income and expenditure. The estimates are made based on the most credible information available when the financial statements were drawn up, however, the actual results may differ from the estimates. The estimates and assumptions that underpin these results shall be regularly reviewed. The reviews of accounting estimates shall be acknowledged in the period when estimates are reviewed and in future affected periods.

The accounting policies were consistently applied to all the periods presented in the financial statements drawn up in accordance with IFRS.

2.6. Business continuity

The financial statements are drawn up based on the business continuity principle, which entails that the company will continue to conduct business in a normal manner in the foreseeable future, as well. Relying on the analysis of cash flow forecasts for the year 2019, the company leadership believe that the application of the business continuity principle in drawing up the financial statements is justified.

2.7. Foreign currencies

For the transactions in foreign currencies, the conversion into the functional currency is done by using the NBR exchange rate on the transaction date. The exchange rate differences are emphasized at the end of each month in the profit and loss account. The balances in foreign currencies are converted into lei based on the NBR exchange rates on the balance sheet date.

The earnings and losses resulted from converting transactions into a foreign currency and from converting assets and liabilities expressed in a foreign currency are acknowledged in the financial statements in the profit and loss account, within the financial outturn.

2.8. Accrual-based accounting

The company draws up its financial statements using accrual-based accounting, except for information concerning cash flows.

2.9. Materiality threshold and aggregation

The company presents separately each significant class of similar elements. When drawing up the financial statements, attention was paid to separating elements different in nature or with different functions, except for the case where they were insignificant. The financial statements result from the processing of a large volume of transactions or other events which are aggregated into groups, based on their nature or their function. The final stage of the aggregation and classification process is to present simplified and classified data that form row elements within financial statements.

2.10. Offsetting

The company does not offset assets and liabilities or income and expenditure, except for the case where offsetting is provided or allowed by IFRS. The company distinctly reports on both its assets and liabilities and its income and expenditure. Offsetting in the case of the comprehensive income or the financial position, except for the case where offsetting reflects the economic background of the transaction or a different event, diminishes the users' capacity to both understand the transactions, other events and conditions that have occurred, as well as evaluate the company's future cash flows. The evaluation of assets after deducting the value of the related impairment provisions does not constitute an offset.

2.11. Comparative information

The information in the financial statements is presented in comparison with the information pertaining to the previous fiscal year, for all the values reported in the financial statements of the current fiscal year.

The accounting records are kept in lei, in accordance with the Romanian Accounting Regulations. These accounts were reviewed in order to reflect the differences between the principles of the Romanian accounting regulations and those in line with IFRS. Accordingly, the accounts according to the Romanian accounting principles are adjusted, where necessary, in order to harmonise the individual financial statements, in all material respects, with the IFRS adopted by the European Union.

2.12. Tangible assets

Tangible assets are tangible elements **which**:

- a) are held for use in order to manufacture or provide goods or services, to be leased to third parties or to be used for administrative purposes; and
- b) are likely to be used over the course of several periods.

The cost of a tangible asset element shall be acknowledged as an asset if and only if:

- a) it is likely to generate for the entity future economic benefits specific to that element;
- b) the cost of the element can be reliably evaluated.

The expenses with repairs or maintenance carried out on fixed assets in order to restore or retain their functionality are acknowledged in the profit/loss account on the date when they are made.

The company applied the basic treatment required by IAS 29, following which, as of 2013, it switched to the alternative evaluation method according to IAS 16.

Depreciation is calculated at the revaluated value, using the linear method, throughout the operating life of the assets, starting from the commissioning month.

Historical revaluations were completely eliminated as non-compliant with IFRS, whereas cost was subject to an inflating process. Revaluations from 2013 - buildings, 2014 - lands, 2016 - tangible assets (exclusively lands), 2018 - tangible assets (exclusively lands) were acknowledged.

The expenses made to replace a component of a tangible asset element, acknowledged in the value of a fixed asset, are recovered starting from the current month of that operation and throughout the remaining operating life.

The redemption of these expenses does not mandatorily entail altering the operating life of the asset.

Tangible assets have been inflation-adjusted as of 1998, or as of their commissioning year if that date comes after 1998, the year when the two trading companies were set up, namely as per GD no. 522/1998 on founding National Company "București-Otopeni International Airport" - S.A. and as per GD no. 524/1998 on founding National Company "București-Băneasa International Airport" - S.A., companies based on which CNAB SA was later on established as per GD no. 1208/2009.

Explanatory note no. 3 - The company's operational framework in Romania

The continuation of economic reforms by the Romanian authorities represents a necessity towards strengthening the domestic macrofinancial framework. This will outline the prerequisites for an adequate management of any possible unfavourable developments that might occur if significant risk aversion were to make a comeback across international financial markets. The positive performance achieved by the Romanian economy must be strengthened by implementing a consistent mix of policies. In this context, it can be seen that:

- ✓ **The Romanian economy experienced in 2018 a 4.1% growth when compared to 2017, according to the data published by the National Institute of Statistics (NIS), significantly below the estimates of the National Commission for Strategy and Prognosis, while in line with those of the European institutions.**
- ✓ In early 2018, the National Commission for Strategy and Prognosis estimated a 6.1% economic growth for the year end, which they later on decreased to 5.5%, then to 4.5%.
- ✓ In the spring of 2018, FMI were estimating that Romania would achieve a 5.1% economic growth, a forecast to which they made a downward adjustment, in November, up to 4%.
- ✓ **Romania's economic growth will diminish over the following period, as the private consumption growth will slow down and the negative balance of exports will increase. The gross domestic product (GDP) is expected to have a more moderate increase over the following years, the European Commission's estimates being 3.6% for 2018, 3.8% in 2019 and 3.6% in 2020.**
- ✓ According to economic forecasts, the main engine of economy, private consumption, is clearly dwindling, primarily on account of inflation, which keeps reaching high levels. This situation was aided by the growth of energy prices and the ever fewer notable effects of public policies focusing in increasing household revenues. Throughout this period, investments will remain at low levels in Romania, unless the absorption of European funds improves.
- ✓ Romania's budget deficit will continue to increase and exceed 3% of GDP, particularly on account of significant increases of public system salaries and pensions. As such, budget deficit will reach the highest values in EU during the 2018-2020 interval, growing from 3.3% in 2018 to 3.4% next year and to 4.7% in 2020.
- ✓ Whereas unemployment is expected to maintain its low levels, the labour market will continue to be tense.
- ✓ Inflation reached its peak in the spring of 2018, but will subdue over the following years. At the same time, public debt will increase from 35.1% this year to 38.2% in 2020.
- ✓ Over the same period, at the European Union level, estimates indicate economic growth reaching 2.2% in 2018, 2.0% in 2019 and 1.9% in 2020. Public deficit will increase from 0.6% of GDP in 2018 to 0.8% in 2019, to subsequently decrease to 0.6% in 2020. The labour market environment continued to improve throughout the first half of 2018, with a constantly increasing employment rate, even against a backdrop of decreased economic growth.
- ✓ The exceptionally favourable international situation throughout 2017 played a part in supporting a strong economic activity and investments. In the absence of major shocks, Europe should be able to handle economic growth above its potential, intense job creation and unemployment reduction. This reference scenario is, however, subject to a series of negative risks.

- ✓ The average exchange rate for 2018 was 4.6535 lei/Euro and 3.9416 lei/USD, respectively, whereas in 2017 it was 4.5681 lei/Euro and 4.0525 lei/USD, respectively. As opposed to 2017, the Leu showed a downward trend by -1.87% in relation to the EURO and an upward trend by +2.74% in relation to the USD.
- ✓ Romania's future economic direction depends, to a large extent, on the effectiveness of the economic, financial and monetary measures taken by the Government, as well as on the fiscal, legal, regulatory and political developments.

The leadership are unable to estimate the economic environment developments that could have an impact on the Company's operations or the impact upon the Company's financial position.

3.1. Intangible assets

According to **IAS 38 Intangible assets**, *an intangible asset is an identifiable non-monetary asset without physical substance, held in order to be used for the production or provision of goods or services, for leasing or for administrative purposes.*

An intangible asset may be purchased or internally generated. Whichever the case, it shall be acknowledged only if:

- ✓ the asset is controlled by the company as a result of past events;
- ✓ the company expects the asset to generate future economic benefits;
- ✓ the cost of the asset can be credibly measured; and
- ✓ the asset can be separated from the goodwill.

The intangible assets as at the end of 2018 could not be revaluated as an active market could not be identified.

3.2. Financial fixed assets

Financial fixed assets are financial investments that comprise shares and other securities purchased and held in the long run, as well as long-term receivables, such as long-term loans and guarantees.

The equity investments (shares) the company owns are recorded under fixed assets, the company's intention to keep them exceeding 12 months from the balance sheet date. The company does not own shares equalling at least half plus one, from the number of shares with voting rights, for other structures considered as subsidiaries. The purchases and sales of holdings are recorded on their settlement date, which coincides with the date when the holding is transferred to the company.

On each reporting date, the Company assesses whether there is objective evidence according to which a financial asset or a group of financial assets has undergone an impairment. A financial asset or a group of financial assets is impaired, and impairment losses are incurred only if there is objective evidence of such impairment following one or several events that occurred after the initial acknowledgement of that asset (a "loss-generating event") and if that event (or those events) generating losses has (have), upon the future estimated cash flows of the financial asset or of the group of financial assets, an impact that can be credibly estimated.

3.3. Customers and similar accounts

Receivables are recorded at the value projected to be achieved, which corresponds to the nominal value. For uncertain receivables impairment adjustments shall be calculated.

In customer accounts and similar accounts one can find the value of invoices issued and not collected until the fiscal year end date.

The provision of services to customers is carried out based on an order and/or a contract, with payment at maturity ranging from 30 to 90 days, whereas the price stays the same regardless of the payment deadline.

3.4. Value added tax

Value added tax shall be paid to / recovered from the tax authorities based on the monthly VAT return by the 25th of the following month, regardless of the extent to which receivables were collected from customers.

Tax authorities allow the return of VAT on a net basis. If deductible VAT exceeds output VAT, the difference can be reimbursed upon the Company's request. This VAT can be reimbursed after a tax inspection has been performed, or even in the absence thereof, provided that certain requirements are met. VAT related to sales and purchases that were not settled at the end of the reporting period shall be acknowledged at its net value in the statement of financial position. It is presented as a current asset or liability in addition to other receivables or other debts, as the case may be.

In regard to receivable impairments, the impairment loss is recorded for the gross value to be received from the debtor, including VAT.

Related VAT has to be paid to the State and can be recovered only if the debtor is time-barred, following a decision to file for bankruptcy.

3.5. Stocks

Stocks are evaluated at the lower value between cost and the probable value of completion.

Cost is determined based on the "first in, first out" method, according to IAS 2. Where necessary, provisions are recorded for obsolescent and slow-moving stocks. Obsolescent stocks are individually identified and provisions are secured for them at their full value or they are removed from the balance sheet. In the case of slow-moving stocks, an age estimate is determined, for each main category, based on the inventory turnover.

3.6. Cash and cash equivalents

In order to draw up the statement of cash flows, cash and cash equivalents comprise petty cash, demand and bank deposits and short-term financial investments and cash advances. These are emphasized in the financial statements under cost.

3.7. Impairments

An impairment is acknowledged when the net book value of the asset exceeds its recoverable value. Impairments are recorded under the profit and loss account. An impairment of an asset is recognised if it becomes certain that the said impairment is no longer present and changes have occurred in estimating the recoverable value.

3.8. Share capital

The share capital comprises the ordinary shares recorded at their nominal value.

The company acknowledges the share capital changes under the conditions provided by the legislation in force and only upon their approval in the Shareholders' General Assembly and their registration with the Trade Register Office. Since establishment and up to the date of the present reports, no changes have been brought to the share capital.

Romania experienced, until 01.01.2004, very high inflation levels and was considered a hyperinflationary economy, as defined by IAS 29 *Financial Reporting in Hyperinflationary Economies*.

Considering that IFRS were applied, the share capital was inflation-adjusted, whereas the inflating process result is reported in the financial statements (account 1028).

3.9. Current and deferred corporate income tax

The tax expense pertaining to the fiscal year includes the current tax and the deferred tax and is acknowledged under profit or loss, except for the case where it is acknowledged in other comprehensive income elements or directly under own equity, given that it references transactions which are, in their turn, acknowledged in the same or a different fiscal year, under other elements of comprehensive income or directly under own equity.

The corporate income tax calculated and entered in the accounting records was, for 2018, 75,255,473 lei, an increase by 14,361,823 lei over the corporate income tax calculated and recorded the previous year.

The **current corporate income tax expense** is calculated based on the fiscal regulations in force at the end of the reporting period.

The leadership periodically review the positions in the tax forms in search of possible cases where the applicable fiscal regulations allow for interpretations and constitute provisions, as necessary, based on the amounts estimated as payables to the fiscal authorities.

The 2018 current corporate income tax is calculated as follows:

No.	Indicator designation	Amounts (lei)
1.	Operating income	992,560,984
2.	Operating expenses	608,724,729
3.	Operating profit/loss (1-2)	383,836,255
4.	Financial income	13,243,533
5.	Financial expenses	19,378,138
6.	Financial outturn (4-5)	-6,134,605
7.	Gross outturn (3+6)	377,701,650
8.	Elements similar to income	14,581,133
9.	Outturn after the inclusion of elements similar to income (7+8)	392,282,783
10.	Deductions (tax amortisation)	106,470,056
11.	Non-taxable income (dividend-based income and other income)	28,759,441
12.	Profit (9-10-11)	257,053,286

13.	Non-deductible expenses, of which: - late-payment fines and penalties due to the Romanian authorities = 2,269,008 lei - sponsorship expenses = 2,211,671 lei - accounting depreciation costs = 108,330,152.76 lei - costs with provisions = 30,072,464 lei - other non-deductible expenses = 22,168,267 lei - corporate income tax costs = 62,064,802.	227,116,364
14.	TAXABLE PROFIT	484,169,650
15.	CORPORATE INCOME TAX	77,467,144
16.	Amounts representing sponsorships	2,211,671
17.	CORPORATE INCOME TAX	75,255,473

The **deferred corporate income tax expense** is acknowledged, based on the balance sheet liability method, for the temporary differences occurred between the fiscal bases of assets and liabilities and their book values in the financial statements. Nevertheless, the deferred corporate income tax resulting after the initial acknowledgement of an asset or a liability from a transaction, different from a combination of enterprises, and which, at the time of that transaction, affects neither the accounting, nor the taxable profit, is not acknowledged. The deferred corporate income tax expense is determined based on the tax rates (and the legal regulations) that have come into force by the end of the reporting period and are to be applied during the period in which the deferred tax to be recovered will be leveraged or the payable deferred tax will be paid.

The deferred tax to be recovered is acknowledged strictly insofar as it is likely to obtain in the future a taxable profit from which the temporary differences could be deducted.

As at 31.12.2018, a receivable of 7,311,414 on the deferred corporate income tax was recorded, calculated particularly based on the provisions for employee benefits, on leaves not taken, as well as on profit sharing with the salaried employees (elements set to generate in the future deductible expenses as part of the corporate income tax calculation).

The calculation of the deferred corporate income tax on shareholders' equity generated a debt amounting to 17,491,661.61 lei (calculated in relation to lands) and another debt amounting to 15,446,452.90 lei (calculated in relation to assets).

3.10. Trade and other payables

Payables are recorded at cost, representing the fair value of the amount to be paid in the future for the goods and services received. The short-term payables are those payables due in less than 12 months from the balance sheet date. All the other payables shall be recorded as long-term liabilities.

The accounts of trade and other payables shall be closed as a result of paying the liabilities, offsetting with mutual receivables or by becoming time-barred through the profit and loss account.

3.11. Employee benefits

All of the company's employees are beneficiaries of the Romanian state pension scheme. The company makes payments to the social funds (the health and unemployment insurance funds, the pension fund), for the account of the employees, using the legal rates. These costs are acknowledged in the profit and loss account concurrently with the acknowledgement of salaries.

According to the collective labour agreement, the Company shall pay its employees, on their retirement date, a compensatory rate equal to a particular number of gross salaries, provided they have worked at the company for more than 5 years. The company contracted actuarial services and set up a provision for such payments. The obligation acknowledged in the balance sheet represents the current value of the obligation as at the balance sheet date, and that obligation is calculated on a yearly basis by independent specialists.

In accordance with IAS 19, calculations were made for post-employment benefits, such as pensions and loyalty premiums, thus making it necessary to enter in the accounting records provisions for employee benefits (account 1517).

By analysing the employee benefits that are granted pursuant to the collective labour agreement for SC Aeroporturi București S.A., 2 categories of benefits generating obligations as at the reporting date were identified:

Post-employment benefits:

- The salaried employee is entitled to a healthcare plan. It is classified as a determined contribution scheme, which is why no actuarial calculation is performed;
- Salaried employees who retire shall receive, upon retirement, regardless of the grounds for retirement, a one-off award.

Other long-term benefits:

- For the uninterrupted years of accumulated service, within the Company and its subsidiaries, jubilee awards will be granted to the salaried employees:

National Company "Aeroporturi București" SA	01/01/2018	Interest- related cost	Costs of current service	Provision-based payments	Actuarial losses / gains	01/01/2019
Loyalty premiums	8,826,362	465,093	1,248,876	1.142,545	2,498,259.95	11,896,045.87
Retirement premiums	15,888,190	556,306	1,215,760	-849,600	642,509.32	17,453,165.63
TOTAL	24,714,552	1,021,399	2,464,636	1,992,145	3,140,769.27	29,349,211.50

Benefits for labour contract cessation

- In the case of dismissal on grounds not related to the salaried employee's person, the employer shall grant them, in addition to the up-to-date due entitlements, a compensation. The information received from the beneficiary revealed that there were no staff dismissals on grounds not related to the salaried employee's person and there are no intentions of collective or individual redundancies on grounds not related to the salaried employee's person. For these reasons, the value of this benefit is zero.

The obligations were estimated by taking into account the following assumptions:

A. Actuarial assumptions and methods – the actuarial treatment of the retirement award:

- The mortality rate among the entity's employees was calculated according to the data supplied by the National Institute of Statistics for the year 2017.
- The staff turnover rate is calculated based on the number of voluntary departures from the company, and a probability was assigned to each age and gender group.
- The method employed is the projected unit credit method, the values being allotted for each employee and updated as at 31.12.2018.
- The salary growth rate is considered to be decreasing over time and was estimated, based on the information received from the beneficiary for the first six years, at 1%, and will subsequently decrease to 0.5% for the remaining years, for both men and women.
- The discount rate is the yield curve of interests in lei, without adjustments, provided by EIOPA for the month of December 2018.
- The scheme is not funded by the entity or the employees.
- The probability of the persons approaching retirement age opting for early retirement was calculated, assuming that those already aged 50 are set to retire when they reach the maximum age limit.

B. Actuarial assumptions and methods – the actuarial treatment of loyalty premiums:

- The mortality rate among the entity's employees was calculated according to the data supplied by the National Institute of Statistics for the year 2018.
- The staff turnover rate is calculated based on the number of voluntary departures from the company, and a probability was assigned to each age and gender group.
- The method employed is the projected unit credit method, the values being allotted for each employee and updated as at 31.12.2018.
- The salary growth rate is considered to be decreasing over time and was estimated, based on the information received from the beneficiary for the first six years, at 1%, and will subsequently decrease to 0.5% for the remaining years, for both men and women.
- The discount rate is the yield curve of interests in lei, without adjustments, provided by EIOPA for the month of December 2018.
- The scheme is not funded by the entity or the employees.
- The probability of the persons approaching retirement age opting for early retirement was calculated, assuming that those already aged 50 are set to retire when they reach the maximum age limit.

As at 31.12.2017 and 31.12.2018, the company's obligation in terms of employee benefits amounted to 24,714,551.48 lei and 29,349,211.50 lei, respectively, as follows:

EXPLANATIONS	31.12.2017	31.12.2018
Benefits related to loyalty premiums to be granted to current employees	8,826,361.96	11,896,045.87
Benefits related to premiums granted upon retirement to current employees	15,888,189.52	17,453,165.63
TOTAL	24,714,551.48	29,349,211.50

The value of employee benefits increased in 2018 compared with 2017, primarily as a result of the salary increases, on certain tiers, in comparison with the estimate for 2017. The staff turnover, despite its low levels, changes the employee benefits in the same way as the salaries.

3.12. Profit sharing and premiums

The company acknowledges a profit sharing obligation and expense pursuant to *Ordinance no. 64/2001 on the distribution of profits within state-owned or majority state-owned national companies and trading companies, as well as within autonomous public entities*.

At the end of the fiscal year, a short-term, fiscally non-deductible provision, is recorded. This obligation can be credibly estimated pursuant to *OMFP no. 144/2005 on the approval of the Clarifications for calculating the amounts subject to profit distribution according to Government Ordinance no. 64/2001 on the distribution of profits within state-owned or majority state-owned national companies and trading companies, as well as within autonomous public entities, approved with amendments by Law no. 769/2001, as subsequently amended and supplemented*.

In the following year, by eliminating the fiscally non-deductible provision, a non-taxable income is recorded together with a correspondent recording as charges assimilated to salaries, and deductible as part of the current corporate income tax calculation. According to the collective labour agreement, the salaried employees enjoy premiums, generated by various events and recorded under current expenses when they are granted.

3.13. Acknowledgment of revenues

Revenues comprise the fair value of the consideration collected or to be collected for the provision of services or the sale of goods over the normal course of business. Revenues are presented exclusive of the value added tax.

The Company acknowledges revenues when their value can be estimated with certainty, when the Company is likely to collect future economic benefits and when certain criteria are met for each of the Company's activities, as provided in IAS 18.

a) Revenues from services rendered

The revenues from services rendered are acknowledged in the period when they were rendered. The revenues from the collection of leases and/or rights to use assets are acknowledged using accrual-based accounting, according to the contract.

b) Revenues from the sale of goods

The revenues from the sale of goods are acknowledged at the time of the delivery of the goods.

c) Interest income

Interest income is acknowledged on a regular basis, as the respective income is generated, in line with accrual-based accounting.

d) Dividend-based income

Dividends are acknowledged when the right to receive payment has been acknowledged.

e) Penalty-based income

Income based on late-payment penalties is acknowledged when forecasts show future economic benefits in favour of the Company.

3.14. Earnings per share

The earnings per share are calculated by dividing the profit or the loss associated with the shareholders by the weighted average of the ordinary shares throughout the period.

The weighted average of the shares in issue throughout the fiscal year represents the number of shares as at the start of the period, adjusted with the number of issued shares, multiplied by the number of months during which the shares were in issue throughout the fiscal year. No changes in the number of shares were made throughout the current fiscal year or the previous fiscal years.

The accounting records are kept in lei, in accordance with the Romanian Accounting Regulations. These accounts were reviewed in order to reflect the differences between the principles of the Romanian accounting regulations and those in line with IFRS. Accordingly, the accounts according to the Romanian accounting principles are adjusted, where necessary, in order to harmonise the individual financial statements, in all material respects, with the IFRS adopted by the European Union.

3.15. Affiliated parties

The parties are considered affiliated when one of them has the capacity of controlling/significantly influencing the other party, by way of ownership. The company does not exercise control over any of the companies in which it holds equity.

Explanatory note no. 4 – Reconciliation of the statement of financial position

4.1. Reconciliation of the statement of financial position as at 31.12.2014 (first adoption of IFRS)

	Romanian accounting standards	Adjustments	IFRS
ASSETS			
-lei-			
Tangible assets	4,479,099,432	+40,786,083	4,519,885,515
Real estate investments	0	0	0
Intangible assets	260,889	-141,726	119,163
Financial fixed assets	24,374,265	+2,092,510	26,466,775
Total fixed assets	4,503,734,586	+42,736,867	4,546,471,453
Stocks	12,571,682	0	12,571,682
Trade and other receivables	66,076,024	0	66,076,024
Short-term investments	13,565,900	0	13,565,900
Cash and cash equivalents	220,592,209	0	220,592,209
Advance payments	445,662	0	445,662
Total current assets	313,270,157	0	313,251,477
TOTAL ASSETS	4,816,986,063	+42,736,867	4,859,722,930
LIABILITIES			
Current liabilities			
Trade and other payables	98,858,422	-2,572,500	96,285,922
Advance payments from customers	18,746,046	0	18,746,046
Short-term bank loans	40,619,031	0	40,619,031
Liabilities in relation to the current corporate income tax	4,408,812	0	4,408,812
Investment subsidies < 1 year	15,530,993	0	15,530,993
Total current liabilities	178,163,304	-2,572,500	175,590,804
Long-term liabilities			
Long-term bank loans	203,095,157	0	203,095,157
Long-term provisions	54,445,016	0	54,445,016
Employee benefits	16,749,965	0	16,749,965
Deferred corporate income tax	0	+29,037,500	29,037,500
Investment subsidies > 1 year	296,386,734	-41,899,370	254,487,364
Other long-term liabilities	3,764,588	0	3,764,588
Total long-term liabilities	574,441,460	-12,861,870	561,579,590

TOTAL LIABILITIES	752,604,764	-15,434,370	737,170,394
SHAREHOLDERS' EQUITY			
Share capital, of which:	143,772,150	0	143,772,150
- subscribed share capital paid	143,772,150	0	143,772,150
Share capital adjustments	0	+64,277,781	64,277,781
Revaluation reserves	3,081,031,887	-2,988,385,443	92,646,444
Legal reserves	28,754,430	0	28,754,430
Other reserves	430,306,233	+2,897,153,727	3,327,459,960
Balance carried forward (117)	281,729,867	-13,352,111	268,377,756
Balance carried forward (118)	0	+98,477,283	98,477,283
Fiscal year profit	98,786,732	0	98,786,732
Total shareholders' equity	4,064,381,299	+58,171,237	4,122,552,536
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	4,816,986,063	+42,736,867	4,859,722,930

The results of restating, pursuant to IFRS, the information in the accounting records organised based on the *Accounting regulations concerning annual individual financial statements and consolidated financial statements, approved as per OMFP no.1802/2014*, as subsequently amended and supplemented, are presented in **Annex 1 – the year 2014**, drawn up using the model in Annex no. 2 to *OMFP nr. 2844/2016 on the approval of the Accounting regulations aligned to the International Financial Reporting Standards*.

This statement reflects, for each item in the balance sheet and in the profit and loss account, the differences between the accounting treatment according to the Accounting regulations on annual individual financial statements and consolidated financial statements, approved as per Order no.1802/2014 of the Minister of Public Finance, and the treatment stipulated by the Accounting regulations compliant with the International Financial Reporting Standards, approved as per OMFP nr. 2844/2016, as subsequently amended and supplemented, **for the year 2014**.

4.2. Reconciliation of the statement of financial position as at 31.12.2015

	Romanian accounting standards	Adjustments	IFRS
ASSETS			
Tangible assets	4,396,074,187	37,719,479	4,433,793,666
Real estate investments	0		0
Intangible assets	296,430	-141,726	154,704
Financial fixed assets	21,736,968	6,219,757	27,956,725
Total fixed assets	4,418,107,585	43,797,510	4,461,905,095
Stocks	12,698,074	0	12,698,074
Trade and other receivables	69,352,411	0	69,352,411
Short-term investments	77,867,500	0	77,867,500
Cash and cash equivalents	283,399,403	0	283,599,403
Advance payments	284,160	0	284,160
Total current assets	443,801,548	0	443,801,548
TOTAL ASSETS	4,861,909,133	43,797,510	4,905,706,643
LIABILITIES			
Current liabilities			
Trade and other payables	38,469,786	0	38,469,786
Advance payments from customers	33,665,942	0	33,665,942
Short-term bank loans	41,003,281	0	41,003,281
Liabilities in relation to the current corporate income tax	5,846,294	0	5,846,294
Investment subsidies < 1 year	12,137,698		12,137,698
Total current liabilities	131,123,001	0	131,123,001
Long-term liabilities			
Long-term bank loans	164,013,125	0	164,013,125
Long-term provisions	59,457,747	0	59,457,747
Employee benefits	18,410,117	0	18,410,117
Deferred corporate income tax	0	26,347,307	26,347,307
Investment subsidies > 1 year	294,427,519	-52,077,365	242,350,154
Other long-term liabilities	2,533,467	0	2,533,467
Total long-term liabilities	538,994,045	-25,730,058	513,111,917
TOTAL LIABILITIES	669,986,815	-25,730,058	644,234,918

SHAREHOLDERS' EQUITY

Share capital, of which:	143,772,150	0	143,772,150
- subscribed share capital paid	143,772,150	0	143,772,150
Share capital adjustments	0	64,277,781	64,277,781
Revaluation reserves	3,072,752,051	-2,985,599,973	87,152,078
Legal reserves	28,754,430	0	28,754,430
Other reserves	477,929,813	2,907,331,720	3,385,261,533
Balance carried forward (117)	289,952,413	-16,098,310	273,854,103
Balance carried forward (118)	0	98,477,283	98,477,283
Fiscal year profit	178,783,300	1,139,067	179,922,367
Total shareholders' equity	4,191,944,157	69,527,568	4,261,471,725
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	44,861,930,972	43,775,671	4,905,706,643

The results of restating, pursuant to IFRS, the information in the accounting records organised based on the *Accounting regulations concerning annual individual financial statements and consolidated financial statements, approved as per OMFP no.1802/2014*, as subsequently amended and supplemented, are presented in **Annex 1 – the year 2015**, drawn up using the model in Annex no. 2 to *OMFP nr. 2844/2016 on the approval of the Accounting regulations aligned to the International Financial Reporting Standards*.

This statement reflects, for each item in the balance sheet and in the profit and loss account, the differences between the accounting treatment according to the Accounting regulations on annual individual financial statements and consolidated financial statements, approved as per Order no.1802/2014 of the Minister of Public Finance, and the treatment stipulated by the Accounting regulations compliant with the International Financial Reporting Standards, approved as per OMFP nr. 2844/2016, as subsequently amended and supplemented, **for the year 2015**.

4.3. Reconciliation of the statement of financial position as at 31.12.2016

	Romanian accounting standards	Adjustments	31.12.2016
ASSETS			
Tangible assets	4,309,726,741	-91,759,250	4,217,967,491
Real estate investments	0	0	0
Intangible assets	253,978	-141,726	112,252
Financial fixed assets	22,756,132	6,775,283	29,531,415
Total fixed assets	4,332,736,851	-85,125,693	4,247,611,158
Stocks	11,408,436	0	11,408,436
Trade and other receivables	86,576,249	0	86,576,249
Short-term investments	0	0	0
Cash and cash equivalents	499,333,068	0	499,333,068
Advance payments	837,554	0	837,554
Total current assets	598,155,307	0	598,155,307
TOTAL ASSETS	4,930,892,158	-85,125,693	4,845,766,465
LIABILITIES			
Current liabilities			
Trade and other payables	41,586,920	0	41,586,920
Advance payments from customers	47,729,850	0	47,729,850
Short-term bank loans	41,153,719	0	41,153,719
Liabilities in relation to the current corporate income tax	7,491,093	0	7,491,093
Investment subsidies < 1 year	10,307,425	0	10,307,425
Total current liabilities	148,151,246	0	148,269,007
Long-term liabilities			
Long-term bank loans	123,461,156	0	123,461,156
Long-term provisions	56,677,844	0	56,677,844
Employee benefits	28,073,411	0	28,073,411
Deferred corporate income tax	0	38,362,331	38,362,331
Investment subsidies > 1 year	284,082,041	-52,077,362	232,004,679
Other long-term liabilities	1,271,381	0	1,271,381
Total long-term liabilities	493,565,833	-13,715,031	479,850,802
TOTAL LIABILITIES	641,834,840	-13,715,031	628,119,809

SHAREHOLDERS' EQUITY

Share capital, of which:	143,772,150	0	143,772,150
- subscribed share capital paid	143,772,150	0	143,772,150
Share capital adjustments	0	64,277,781	64,277,781
Revaluation reserves	3,065,164,815	-2,908,178,681	156,986,134
Legal reserves	28,754,430	0	28,754,430
Other reserves	519,625,354	2,701,393,199	3,221,018,553
Balance carried forward (117)	297,204,143	-17,544,114	279,660,029
Balance carried forward (118)	0	98,477,283	98,477,283
Fiscal year profit	234,536,426	-9,836,130	224,700,296
Total shareholders' equity	4,289,057,318	-71,410,662	4,217,646,656
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	4,930,892,158	-85,125,693	4,845,766,465

The results of restating, pursuant to IFRS, the information in the accounting records organised based on the *Accounting regulations concerning annual individual financial statements and consolidated financial statements, approved as per OMFP no.1802/2014*, as subsequently amended and supplemented, are presented in **Annex 1 – the year 2016**, drawn up using the model in Annex no. 2 to *OMFP nr. 2844/2016 on the approval of the Accounting regulations aligned to the International Financial Reporting Standards*. This statement reflects, for each item in the balance sheet and in the profit and loss account, the differences between the accounting treatment according to the Accounting regulations on annual individual financial statements and consolidated financial statements, approved as per Order no.1802/2014 of the Minister of Public Finance, and the treatment stipulated by the Accounting regulations compliant with the International Financial Reporting Standards, approved as per OMFP nr. 2844/2016, as subsequently amended and supplemented, **for the year 2016**.

4.4. Reconciliation of the statement of financial position as at 31.12.2017

	Romanian accounting standards	Adjustments	31.12.2017
ASSETS			
Tangible assets	4,227,735,298	-157,202,393	4,070,022,905
Real estate investments	0	1,150,665	1,150,665
Intangible assets	182,220	-141,726	40,494
Financial fixed assets	20,468,635	6,947,003	27,415,638
Total fixed assets	4,247,876,153	-149,246,451	4,098,629,702
Stocks	13,534,124	0	13,534,124
Trade and other receivables	97,908,635	0	97,908,635
Short-term investments	50,000,000	0	50,000,000
Cash and cash equivalents	255,451,252	0	255,451,252
Advance payments	562,622	0	562,622
Total current assets	417,456,633	0	417,456,633
TOTAL ASSETS	4,665,332,786	-149,246,451	4,516,086,335
LIABILITIES			
Current liabilities			
Trade and other payables	48,208,741	152,069	48,360,810
Advance payments from customers	44,533,523	0	44,533,523
Short-term bank loans	0	0	0
Liabilities in relation to the current corporate income tax	11,328,644	0	11,328,644
Investment subsidies < 1 year	17,822,731	0	17,822,731
Total current liabilities	121,893,639	152,069	122,045,708
Long-term liabilities			
Long-term bank loans	0	0	0
Long-term provisions	44,512,485	0	44,512,485
Employee benefits	24,714,551	0	24,714,551
Deferred corporate income tax	0	0	0
Investment subsidies > 1 year	265,036,541	-52,077,364	212,959,177
Other long-term liabilities	152,070	28,426,043	28,578,113
Total long-term liabilities	334,415,647	-23,651,321	310,764,326
TOTAL LIABILITIES	456,309,286	-23,499,252	432,810,034

SHAREHOLDERS' EQUITY

Share capital, of which:	143,772,150	0	143,772,150
- subscribed share capital paid	143,772,150	0	143,772,150
Share capital adjustments	0	64,277,781	64,277,781
Other shareholders' equity elements	0	-31,761,842	-31,761,842
Revaluation reserves	3,057,787,618	2,940,706,798	117,080,820
Legal reserves	28,754,430	0	28,754,430
Other reserves	339,029,707	2,701,393,199	3,040,422,906
Balance carried forward (117)	302,125,265	51,122,764	353,248,029
Balance carried forward (118)	0	76,796,989	76,796,989
Fiscal year profit	337,554,330	-46,869,292	290,685,038
Total shareholders' equity	4,209,023,500	-125,747,199	4,083,276,301
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	4,665,332,786	-149,246,451	4,516,086,335

The results of restating, pursuant to IFRS, the information in the accounting records organised based on the *Accounting regulations concerning annual individual financial statements and consolidated financial statements, approved as per OMFP no.1802/2014*, as subsequently amended and supplemented, are presented in **Annex 1 – the year 2017**, drawn up using the model in Annex no. 2 to *OMFP nr. 2844/2016 on the approval of the Accounting regulations aligned to the International Financial Reporting Standards*. This statement reflects, for each item in the balance sheet and in the profit and loss account, the differences between the accounting treatment according to the Accounting regulations on annual individual financial statements and consolidated financial statements, approved as per Order no.1802/2014 of the Minister of Public Finance, and the treatment stipulated by the Accounting regulations compliant with the International Financial Reporting Standards, approved as per OMFP nr. 2844/2016, as subsequently amended and supplemented, **for the year 2017**.

Explanatory note no. 5 – Fixed assets

According to item 61 par. (1) and (2) in the Accounting regulations approved as per *OMFP no. 2844/ 2016 on the approval of the Accounting regulations aligned to the International Financial Reporting Standards*, fixed assets are assets which generate future economic benefits and are acknowledged under the conditions provided by IFRS. Fixed assets are comprised of: intangible and tangible assets, assets in progress, as well as financial fixed assets.

Tangible assets in progress are uncompleted investments carried out through direct labour operations or under a contract for works.

Tangible assets in progress are recorded in the category of completed assets, in compliance with the IFRS provisions.

The value of the depreciation pertaining to the intangible and tangible assets, corresponding to each period, is recorded under expenses (account 6811 “Operating expenses with the depreciation of assets, real estate investments and productive biological assets measured at cost”).

If an intangible or a tangible asset is derecognised, the revenues generated by this operation (account 7583 “Revenues from the disposal of intangible and tangible assets and other capital transactions”), the expenses representing the non-amortised value of the asset (account 6583 “Expenses with intangible and tangible assets disposed of and other capital transactions”) and other expenses related to its disposal shall be distinctly emphasized. In this case, any possible impairment adjustments previously established (account 6813 “Operating expenses with adjustments for the depreciation of assets, real estate investments and productive biological assets measured at cost”) shall be carried over accordingly under revenues (account 7813 “Revenues from adjustments for impairments of assets, real estate investments and productive biological assets measured at cost”).

For the purpose of presentation within the comprehensive income statement, the gain or the loss resulted from no longer using or deregistering an intangible or a tangible asset shall be determined as a difference between the revenues generated by deregistering the asset and its non-amortised value, including the costs entailed by derecognising it, and shall be presented as a net value within the comprehensive income statement, according to IAS 38 and IAS 16, respectively.

4.1. Tangible assets

As at **31.12.2014**, the information in the company’s accounting records drawn up according to OMFP no. 1802/2014 were restated in order to apply the provisions of OMFP no. 666/2015 and OMFP no. 2844/2016, and in line with IFRS, respectively, as follows:

- ✓ The reserves from the revaluations carried out on lands, in 2006 and 2008 at Băneasa, as well those from 2014 at Otopeni, were eliminated and the value of the lands was adjusted with 2,964,578,260 lei;
- ✓ IAS 29 was applied to Lands, with the amount of 135,223,819 lei;
- ✓ The land revaluation carried out as at 31.12.2014 was acknowledged in accordance with IAS;

- ✓ The reserves from revaluation carried out on buildings and which had been transferred under the Balance carried forward, representing the surplus generated from revaluation reserves, amounting to 281,729,867 lei, were eliminated;
- ✓ The reserves from buildings, technical facilities, means of transportation, furniture, office equipment, protection equipment for manpower and material assets and other tangible assets were eliminated, and the depreciations pertaining to these items were adjusted with 398,901,034 lei;
- ✓ The remaining service life of tangible assets were recalculated, taking into account the retroactive application of IAS 16, namely by running the depreciation from the commissioning month, unlike the Romanian regulations, which provided that depreciation should commence on the month following said commissioning, and the depreciation accounts were adjusted with the amount of 8,963,065 lei.;
- ✓ IAS 29 was applied to the fixed assets present in the records of the two companies, namely National Company "Aeroportul Internațional București - Băneasa" - S.A. and National Company "Aeroportul Internațional București - Otopeni" - S.A., on the date of their establishment in 1998, and subsequently to the fixed assets that were purchased and commissioned by 31.12.2003, with the amount of 672,489,849 lei;
- ✓ The depreciation entered in the accounting records under fixed assets, following the application of IAS 29, was increased by 438,788,748 lei;
- ✓ Fixed assets amounting to 4,630,468 lei were reclassified by placing them under fixed assets identified as inventory items, and the resulting depreciation amounting to 4,558,149 lei was reclassified accordingly.

As at **31.12.2015**, the information in the company's accounting records drawn up according to OMFP no. 1802/2014 were restated in order to apply the provisions of OMFP no. 666/2015 and OMFP no. 2844/2016, and in line with IFRS, respectively, as follows:

- ✓ The reserves from revaluation carried out on fixed assets and which had been transferred under the Balance carried forward, representing the surplus generated from revaluation reserves, amounting to 8,240,566 lei, were eliminated;
- ✓ The depreciation entered for the revaluation reserves transferred under the Balance carried forward, representing the surplus generated from revaluation reserves and amounting to 8,254,985 lei, was rectified;
- ✓ The remaining service life of tangible assets were recalculated, taking into account the retroactive application of IAS 16, namely by running the depreciation from the commissioning month, unlike the Romanian regulations, which provided that depreciation should commence on the month following said commissioning, and the depreciation accounts were adjusted with the amount of 901,767 lei;
- ✓ Fixed assets amounting to 4,816 lei were reclassified by placing them under fixed assets identified as inventory items, and the resulting depreciation amounting to 3,366 lei was reclassified accordingly;
- ✓ The depreciation was rectified, following the application of IAS 29, with the amount of 5,721,714 lei;
- ✓ The depreciation related to the revaluation carried out on buildings in 2015 was rectified with 6,540,912 lei, concurrently with reducing, by the same amount, the revaluation reserves and recording the surplus from revaluation reserves accordingly under the Balance carried forward.

As at **31.12.2016**, the information in the company's accounting records drawn up according to OMFP no. 1802/2014 were restated in order to apply the provisions of OMFP no. 666/2015 and OMFP no. 2844/2016, and in line with IFRS, respectively, as follows:

- ✓ The reserves from revaluation carried out on fixed assets and which had been transferred under the Balance carried forward, representing the surplus generated from revaluation reserves, amounting to 7,586,953 lei, were eliminated;
- ✓ The depreciation entered for the revaluation reserves transferred under the Balance carried forward, representing the surplus generated from revaluation reserves and amounting to 7,586,953 lei, was rectified;
- ✓ The remaining service life of tangible assets were recalculated, taking into account the retroactive application of IAS 16, namely by running the depreciation from the commissioning month, unlike the Romanian regulations, which provided that depreciation should commence on the month following said commissioning, and the depreciation accounts were adjusted with the amount of 910,644 lei;
- ✓ Fixed assets amounting to 5,000 lei were reclassified by placing them under fixed assets identified as inventory items, and the resulting depreciation amounting to 59,327 lei was reclassified accordingly;
- ✓ The depreciation was rectified, following the application of IAS 29, with the amount of 5,268,043 lei;
- ✓ The depreciation related to the revaluation carried out on buildings in 2015 was rectified with 5,954,860 lei, concurrently with reducing, by the same amount, the revaluation reserves and recording the surplus from revaluation reserves accordingly under the Balance carried forward.

As at 31.12.2016, the tangible assets, minus the lands, were revaluated by a certified valuator so as to make it possible to report them in the financial statements restated according to IFRS, at their fair value, by applying the alternative treatment allowed by IAS 16.

As at **31.12.2017**, the information in the company's accounting records drawn up according to OMFP no. 1802/2014 were restated in order to apply the provisions of OMFP no. 666/2015 and OMFP no. 2844/2016, and in line with IFRS, respectively, as follows:

- ✓ The reserves from revaluation carried out on fixed assets and which had been transferred under the Balance carried forward, representing the surplus generated from revaluation reserves, amounting to 7,377,576 lei, were eliminated;
- ✓ The depreciation entered for the revaluation reserves transferred under the Balance carried forward, representing the surplus generated from revaluation reserves and amounting to 7,377,576 lei, was rectified;
- ✓ The remaining service life of tangible assets were recalculated, taking into account the retroactive application of IAS 16, namely by running the depreciation from the commissioning month, unlike the Romanian regulations, which provided that depreciation should commence on the month following said commissioning, and the depreciation accounts were adjusted with the amount of 1,341,613 lei;
- ✓ The depreciation of other tangible assets, recorded with the amount of 11,694 lei, was reclassified accordingly;

- ✓ The depreciation was rectified, following the application of IAS 29, with the amount of 5,029,759 lei;
- ✓ The depreciation related to the revaluation carried out on buildings in 2015 was rectified with 5,700,323 lei, concurrently with reducing, by the same amount, the revaluation reserves and recording the surplus from revaluation reserves accordingly under the Balance carried forward;
- ✓ The depreciation related to the revaluation carried out in 2016 was rectified with the amount of 60,924,346 lei, concurrently with reducing, by the same amount, the revaluation reserves and recording the surplus from revaluation reserves accordingly under the Balance carried forward.
- ✓ Fixed assets revaluated in 2016, amounting to 58,808,771 lei, were reclassified and, in relation to them, the depreciation recorded with the amount of 52,065,935 lei was reclassified accordingly, impairment adjustments amounting to 6,707,604 lei were performed and a surplus from revaluation reserves, amounting to 35,238 lei, was recorded under the Balance carried forward.
- ✓ Adjustments were brought to fixed assets (inventory book) and revaluation durations, pertaining to 2016 and amounting to 5,773,860 lei, of which 5,701,552 by way of depreciation and 72,308 lei by way of impairment adjustments.
- ✓ Fixed assets (buildings) amounting to 35,227,267 lei were reclassified as real estate investments and cost-adjusted, resulting a fair value of 5,426,313 lei, for which a depreciation amounting to 4,194,361 lei was reclassified, as well.

The tangible assets of CN AB SA were revaluated as at 31.12.2018. The approach applied in the evaluation, according to the evaluation report, was the following:

- ✓ Fixed tangible assets were revaluated using cost-based methods, keeping in mind their specialised nature. The basis for estimating the current costs was the purchase price for the assets purchased on the market, for as-new prices or at their fair value (presumed prices) for previously revaluated assets. The current cost of for previously revaluated assets was calculated by means of updating the presumed costs, using price indices (price indices in constructions, indices of industrial production prices, inflation rate) specific to each asset type. Completely depreciated tangible assets that are still used by the company were revaluated by setting forth a new economic value and a new economic service life, corresponding to the period over which the company estimates they would continue to be used.
- ✓ For the revaluated tangible assets which, as at 31.12.2018, had their remaining value zero and their normal service life expired, the evaluator proposed new remaining service lives.
- ✓ Following the analyses performed based on the special assumptions presented in the report, the evaluator's conclusion regarding the fair value of the tangible assets in the inventory of CN AB SA, as at 31.12.2018 (with the exception of lands), is:

DESIGNATION	INVENTORY VALUE AS AT 31.12.2018	REMAINING VALUE AS AT 31.12.2018	FAIR VALUE AS AT 31.12.2018	RECOVERABLE VALUE UPON SCRAPPING AS AT 31.12.2018
Tangible assets	2,858,292,953.87	1,020,184,993.11	1,166,828,131.15	401,500.00

As at 31.12.2018, the status of the tangible assets is as follows:

Explanations	Land	Buildings	Technical equipment and machinery	Other equipment, machinery and furniture	Tangible assets in progress	Real estate investments	TOTAL
Gross value							
Balance as at 01.01.2018	3,146,630,806	1,812,936,652	842,173,818	187,810,169	40,710,015	5,426,313	6,035,687,773
Increases	40,798,626	148,829,537	70,603,831	35,375,578	2,175,819		297,783,391
Discounts	40,799,645	16,582,662	58,332,092	10,920,646	23,659,900		150,294,945
Balance as at 31.12.2018	3,146,629,787	1,945,183,527	854,445,557	212,265,101	19,225,934	5,426,313	6,183,176,219
Depreciation							
Balance as at 01.01.2018		907,475,115	691,772,227	150,707,735		4,275,648	1,754,230,725
Increases		121,798,416	47,087,802	11,604,301		95,786	180,586,305
Decreases		16,059,091	57,731,430	10,887,697			84,678,218
Balance as at 31.12.2018		1,013,214,440	681,128,599	151,424,339		4,371,434	1,850,138,812
Impairment adjustments							
Balance as at 01.01.2018	206,180,632	3,504,348	44,898	20,469	533,131		210,283,478
Adjustments recorded throughout the fiscal year		129,911	60,283	3,884	4,345,044		4,539,122
Discounts or carry-overs		3,165,647	44,898	20,469			3,231,014
Balance as at 31.12.2018	206,180,632	468,612	60,283	3,884	4,878,175		211,591,586
Net value							
As at 01.01.2018	2,940,450,174	901,957,189	150,356,693	37,081,965	40,176,884	1,150,665	4,071,173,570
As at 31.12.2018	2,940,449,155	931,500,475	173,256,675	60,836,878	14,347,759	1,054,879	4,121,445,821

5.2. Intangible assets

As at 31.12.2018, the status of the intangible assets is as follows:

No.	Designation of the intangible asset element	Gross value				Value adjustments (amortisations and depreciation or impairment adjustments)				Net value	
		Balance as at 01.01.2018	Increases	Disposals, transfers and other discounts	Balance as at 31.12.2018	Balance as at 01.01.2018	Adjustments recorded throughout the fiscal year	Discounts or carry-overs	Balance as at 31.12.2018	Balance as at 01.01.2018	Balance as at 31.12.2018
	Intangible assets (1+2), of which:	5,635,367	306,544	204,790	5,737,121	5,594,873	136,122	204,790	5,526,205	40,494	210,916
1	Concessions, patents, licences, trademarks, similar rights and assets, of which:	153,653	5,481		159,134	153,450	685		154,135	203	4,999
1.1.	Patents, marks and other similar rights and values	125,185	5,481		130,666	124,989	685		125,674	196	4,992
1.3.	MT (<i>Ministry of Transportation</i>) lands in use free of charge	7			7					7	7
1.4.	Concessions of licences, Băneasa	28,461			28,461	28,461			28,461		
2	Other intangible assets	5,481,714	301,063	204,790	5,577,987	5,441,423	135,437	204,790	5,372,070	40,291	205,917

5.3. Financial fixed assets

This category of assets comprises shares held in subsidiaries, associated entities and jointly controlled entities, loans granted to these entities, other investments held as assets, as well as other loans.

The above-mentioned elements are accounted for depending on their nature and the type of the entity in which equity participations are held.

Other long-term receivables comprise guarantees, deposits and collaterals issued or opened by the entity with third parties. In the accounts with long-term receivables representing granted loans one shall record amounts granted to third parties pursuant to the contracts for which the entity charges interest, according to the law.

The main adjustments made in relation to financial fixed assets, as at 31.12.2014, reflected in the restated financial statements, were:

- ✓ The application of IAS 29 for the equity participations in Băneasa Mall and the National Investment Company, for which full adjustments, amounting to 101,432 lei, were recorded;
- ✓ The contribution due to CREAC, amounting to 2,572,500 lei, was written off;
- ✓ The adjustment for the impairment of the equity participations held in TAROM was rectified with the amount of 193,295 lei;
- ✓ The shares held in BICC and RAS were reclassified as equity investments subjected to the equity method (4,610,830 lei) and acknowledged under earnings from applying the equity method (4,852,520 lei).

The main adjustments made in relation to financial fixed assets, as at 31.12.2015, reflected in the restated financial statements, were:

- ✓ The adjustment for the impairment of other long-term investments held in TAROM was reduced by 384,115 lei;
- ✓ The adjustments for the impairment of financial fixed assets held in TAROM, amounting to 1,496,548 lei, were acknowledged under financial income;
- ✓ The outturn generated by subjecting BICC and RAS to the equity method, amounting to -325,915 lei, was acknowledged.

The main adjustments made in relation to financial fixed assets, as at 31.12.2016, reflected in the restated financial statements, were:

- ✓ The adjustment for the impairment of the equity participations held in TAROM was increased by 1,236,812 lei;
- ✓ The related impairment adjustment was eliminated and recorded under financial income from adjustments to equity participations held in Băneasa Mall (a company that was deregistered from the Trade Register);
- ✓ The outturn generated by subjecting BICC and RAS to the equity method, amounting to 1,773,837 lei, was acknowledged.

The main adjustments made in relation to financial fixed assets, as at 31.12.2017, reflected in the restated financial statements, were:

- ✓ The outturn generated by subjecting BICC and RAS to the equity method, amounting to 200,379 lei, was acknowledged.
- ✓ The adjustment for the impairment of equity investments held in TAROM was increased by 2,343,155 lei;

The main records made in relation to financial fixed assets, as at 31.12.2018, reflected in the financial statements, were:

- ✓ The outturn generated by subjecting BICC and RAS to the equity method, amounting to 483,342 lei, was acknowledged;
- ✓ The adjustment for the impairment of equity investments held in TAROM was increased by 13,504,520 lei.

As at 31.12.2018, the financial fixed assets appear as follows:

Long-term receivables – guarantees with third parties, equity investments and equity investments subjected to the equity method

Explanations	Long-term receivables – guarantees with third parties	Equity investments	Equity investments subjected to the equity method	Total
Gross value as at January 01, 2018	475,164	36,159,852	11,111,650	47,746,666
Receipts,	44,000	0	483,343	527,343
Releases,	0	0	0	0
of which adjustments as per IFRS	0	0	0	0
Gross value as at December 31, 2018	519,164	36,159,852	11,594,993	48,274,009
Adjustment for asset impairments as at January 01, 2018	0	20,331,028	0	20,331,028
Adjustment increase for financial fixed assets,	0	13,504,520	0	13,504,520
Adjustment decrease for assets,	0	0	0	0
Adjustment as at 31.12.2018	0	33,835,548	0	33,835,548
Net book value as at 01.01.2018	475,164	15,828,824	11,111,650	27,415,638
Net book value as at 31.12.2018	519,164	2,324,304	11,594,993	14,438,461

Other long-term receivables – guarantees with third parties

No.	Guarantees with third parties	01.01.2018	Receipts	Releases	31.12.2018
1	Cumpăna	2,310	0	0	2,310
2	Internet Banking	167	0	0	167
3	RADET	2,199	0	0	2,199
4	Romtelecom	3,178	0	0	3,178
5	Sal Trans Exim	916	0	0	916
6	Masterange Romania SRL	0	0	0	0
7	Collateral in case file no. 47/2014, with Global Media SA	22,858	0	0	22,858

8	Collateral in case file no. 3393/3/2012, with Olguța Orbeșteanu	23,963	0	0	23,963
9	Collateral in case file no. 2619/93/2014, Elena Tudor Barcău	1,000	0	0	1,000
10	Collateral in case file no. 2619/93/2014 Elena Tudor Barcău 13.03.2015 22.04.2015	1,000	0	0	1,000
11	Tamaxo Consult	1,000	0	0	1,000
12	Collateral for plane-related incident, Băneasa	364,073	0	0	364,073
13	Guarantee with the commodity exchange, gas bidding procedure	25,500	0	0	25,500
14	Romanian Commodity Exchange	27,000	44,000	0	71,000
	TOTAL	475,164	44,000	0	519,164

Equity investments

No.	Financial fixed assets held in trading companies	01.01.2018	Holding percentage as at 01.01.2018	31.12.2018	Holding percentage as at 31.12.2018
1	CN Tarom SA	32,564,700	1.48	32,564,700	1.48
2	National Investment Company, of which: - application of IAS 29 - equity participations	168,349 43,349 125,000	31.25	168,349 43,349 125,000	31.25
3	Globe Ground Romania SRL	6,435	13	6,435	13
4	Romprest Service SA	2,291,013	10	2,291,013	10
5	DNATA CATERING SA, of which: - application of IAS 29 - equity participations	22,464 5,784 16,680	Apr. '98	22,464 5,784 16,680	Apr. '98
6	BANEASA MALL SA, of which: - application of IAS 29 - equity participations	0 0 0	0	0 0 0	0 0 0
7	Centrul Regional de Excelență în Aviația Civilă SA	1,102,500 (subscribed 3,675,000)	35	1,102,500 (subscribed 3,675,000)	35
8	The Association for the Promotion and Development of Romanian Tourism	4,392	0	4,392	
9	TOTAL	36,159,853	X	36,159,853	
10	Impairment adjustment	20,331,028	X	13,504,520	

Equity investments subjected to the equity method

Taking into account the equity participation percentages, the equity investments held by the company in BICC and RAS were reclassified as equity investments subject to the equity method, evaluated and presented in the financial statements using the equity method. The equity method is an accounting and reporting method by means of which an equity participation in a jointly controlled entity is initially recorded at cost and subsequently adjusted depending on the changes, that follow the purchase of the investor's share, reflected by the net assets of the jointly controlled entity (IAS 31).

As at **31.12.2016**, the equity investments subject to the equity method, for the two companies, were recalculated in relation to the own equity comprised in the financial statements of the respective companies, as follows:

- ✓ For BICC, the equity investments subjected to the equity method amount to $27\% \times 27,548,974 = 7,438,223$ lei;
- ✓ For RAS, the equity investments subjected to the equity method amount to de 3,473,049 lei.

As at **31.12.2017**, the equity investments subject to the equity method, for the two companies, were recalculated in relation to the own equity comprised in the financial statements of the respective companies, as follows:

- ✓ For BICC, the equity investments subjected to the equity method amount to 8,778,420 lei;
- ✓ For RAS, the equity investments subjected to the equity method amount to 2,333,231 lei.

The information used to determine the equity investments subject to the equity method is taken over from the financial statements of BICC and the provisional financial statements as at 31.12.2017, in the case of RAS.

As at **31.12.2018**, the equity investments subject to the equity method, for the two companies, were recalculated in relation to the own equity comprised in the financial statements of the respective companies, as follows:

- ✓ For BICC, the equity investments subjected to the equity method amount to 8,770,201 lei;
- ✓ For RAS, the equity investments subjected to the equity method amount to 2,824,792 lei.

The information used to determine the equity investments subject to the equity method is taken over from the trial balances of BICC and RAS.

No.	Financial fixed assets held in trading companies	01.01.2018	Holding percentage as at 01.01.2018	Receipts - adjustments as per IFRS	Releases - adjustments as per IFRS	31.12.2018	Holding percentage as at 31.12.2018
1	Bucharest International Cargo Center (BICC)	8,778,420	27		8,219	8,770,201	27
2	Romanian Airport Services SA (RAS)	2,333,231	33.18	491,561		2,824,792	33.18
	TOTAL	11,111,651	X	491,561	8,219	11,594,993	X

Explanatory note no. 6 – Current assets

The company reclassifies an asset as a current asset when:

- it expects to capitalise on that asset or intends to sell or consume it as part of the normal operating cycle;
- the asset is primarily held for trading purposes;
- it expects to capitalise on that asset within twelve months following the reporting period;
- the assets takes the form of cash or cash equivalents (as they are defined by IAS 7), except for the case where there is the restriction that the asset might be exchanged or used to settle a debt over a period of at least twelve months following the reporting period.

6.1. Stocks

The main categories of stocks are: merchandise, spare parts, consumables, materials at third parties, materials identified as inventory items, residual products and packaging.

During the Company inventory inflow process, stocks are measured at their purchase cost, including the collateral expenses required to organise the stocks in the form and the location in which they are found. The accounting records of all the physical asset inventories are of quantities and values, whereas the management method used is the perpetual inventory method.

The evaluation of stocks during the inventory outflow process is performed using the FIFO method, allowed by IAS 2 – Stocks. During the stocktaking process, the stocks of raw materials and various other materials were measured at fair value, whereas the stocks that were degraded or could no longer be used within the Company were inventorised separately and adjusted accordingly.

As at 31.12.2018, CN Aeroporturi București SA possesses stocks with a gross value of 19,288,930 lei. On 31.12.2018, adjustments were made for depreciations of materials (account 3921), amounting to 41,232 lei, and of materials at third parties (account 3951), amounting to 3,146 lei, the stocks reaching a net value of 19,244,552 lei.

No.	Category	Balance as at 01.01.2018	Receipts	Releases	Balance as at 31.12.2018
1.	Consumables	5,460,934	15,569,175	16,200,388	4,829,721
2.	Residual products	0	33,364	0	33,364
3.	Merchandise	0	1,864,799	1,864,799	0
4.	Materials at third parties	6,883,547	13,574,039	6,289,979	14,167,607
5.	Materials identified as inventory items	83,347	1,439,908	1,452,321	70,934
6.	Materials under current supply	0	0	0	0
7.	Packaging	184	0	0	184
8.	Advances	1,200,332	-814,802	263,414	122,116
9.	Assets held for sale	0	65,004		65,004
9.	Total gross values	13,628,344	31,731,487	26,070,900	19,288,930
9.	Adjustments	94,220	44,242	94,084	44,378
10.	Total net values	13,534,124	31,687,245	25,976,816	19,244,552

Of the total amount of 19,288,930 lei:

- the amount of 7.974.868 lei represents stationary or slow-moving stocks, as follows:

✓	Light liquid fuel – safety stock	=	464,520 lei;
✓	Fuel – brake fluid – safety stock	=	6,471 lei;
✓	Consumables – spare parts	=	991,712 lei;
✓	Materials at third parties – spare parts for equipment – safety stock	=	6,371,991 lei;
✓	Materials identified as inventory items	=	57,166 lei;
✓	Consumables – other materials	=	82,824 lei;
✓	Packaging materials	=	184 lei.

Materials at third parties, amounting to **14,164,460** lei (acct. 351 - acct. 3951), representing:

➤	Magal Security Systems LTD	2,237,131 lei
➤	EMP Trade	7,245,613 lei
➤	Euro Nuclear Security Services	3,261,020 lei
➤	CEROB SRL	19,500 lei
➤	MacDonald Humfrey	267,877 lei
➤	MB Telecom	1,081,014 lei
➤	UTI Grup SA (136 pt 3951)	43,340 lei
➤	Police General Inspectorate, Transportation Directorate, Aurel Vlaicu	8,964 lei

6.2. Receivables

The status of receivables as at 31.12.2018 appears as follows:

lei

No.	Explanations	Trade receivables	Other receivables	Total
1	Gross value as at 01.01.2018	105,633,485	24,254,081	129,887,566
2	Adjustment	31,340,388	638,543	31,978,938
3	Net book value as at 01.01.2018	74,293,097	23,615,538	97,908,635
4	Gross value as at 31.12.2018	110,846,043	24,249,194	135,095,237
5	Adjustment	20,882,655	2,748,235	23,630,890
6	Net book value as at 31.12.2018	89,963,388	21,500,959	111,464,347

6.2.1 Trade receivables

At the end of 2018, CN AB SA had the following structure of trade receivables:

lei

No.	EXPLANATIONS	Balance as at 01.01.2018	Balance as at 31.12.2018	Liquidity deadline under one year	Liquidity deadline in excess of one year
1	Domestic customers	11,949,775	16,276,902	16,276,902	-
2	Foreign customers	3,483,060	7,675,421	7,675,421	-
3	Total domestic and foreign customers	15,432,835	23,952,323	23,952,323	-
4	Doubtful customers	31,140,388	20,882,655	20,882,655	-
5	Customers - invoices to be issued	58,836,577	65,988,329	65,988,329	-
	Total customers	105,609,800	110,823,307	110,823,307	-
6	Advance payments to suppliers for provisions of services	23,685	22,736	22,736	-
7	Total gross values	105,633,485	110,846,043	110,846,043	-
8	Impairment adjustments - customers	31,340,388	20,882,655	20,882,655	-
	Total net values	74,293,097	89,963,388	89,963,388	-

6.2.2 Customers

The age-based structure of customer receivables, present in the balance as at 31.12.2018, appears as follows:

No.	Age	Total customers as at 31.12.2018	Percentage (%)
1	Within deadline	87,314,839.00	79.26
2	0 – 30 days	1,773,966.91	1.61
3	30 – 60 days	310,353.64	0.28
4	60 – 90 days	220,900.88	0.20
5	90 – 120 days	171.30	0.00
6	120 – 270 days	50,058.53	0.05
7	270 – 365 days	113,064.13	0.10
8	In excess of 365 days	20,377,872.24	18.50
	TOTAL	110,161,226.63	100.00

CN AB SA revaluated the balances of receivables from foreign customers using the NBR exchange rate of 31.12.2018, the differences being recorded under the profit and loss account of 2018.

6.2.3 Advance payments to suppliers for provisions of services

In the balance of the “Advance payments to suppliers for provisions of services” account, the company recorded advances amounting to 22,736 lei, granted to service providers, as opposed to the 23,686 lei at the end of the previous fiscal year.

6.2.4. Doubtful customers

Among the annual accounts closed as at 31.12.2018, “doubtful customers”, according to the data determined following the stocktaking of the entire assets and worth, accounted for a balance of 20,882,655 lei, which is 10,457,733 lei less than as at 31.12.2017, entirely adjusted, and has the following structure:

The main share of doubtful customers comprises companies undergoing winding-up proceedings, namely:

DESIGNATION	balance	percentage
ROMAVIA	6,939,155.09	33.23%
MY AIR.	6,314,782.41	30.24%
BATA SKY IMOBILIARE S.A (FORMER BLUE AIR TRANSPORT AERIAN SA)	2,356,698.62	11.29%
JETTRAN INTERNATIONAL	1,064,771.72	5.10%
COMPANIA ROMPREST SERVICE SA	819,493.80	3.92%
MYAIR.COM SRL	676,745.31	3.24%
AIC HANDLING S.A.	672,997.81	3.22%
TEHCON EDILITARE&INFRASTRUCTURĂ SRL	534,453.87	2.56%
TEN AIRWAYS SRL	379,520.55	1.82%
OLYMPIC AIRLINES SA	376,578.06	1.80%

6.2.5 Customers - invoices to be issued

In order to comply with the fiscal year independence principle, CN AB SA reflected in the « Customers - invoices to be issued » account the income pertaining to the deliverables rendered in December, but which could only have been invoiced the following month.

For the same reason, the company also invoiced the late-payment penalties in relation to the invoices pertaining to deliverables rendered in 2018.

The structure of this balance sheet item appears as follows:

No.	Customer designation	Amounts as at 01.01.2018	Amounts as at 31.12.2018
1	Customers - invoices to be issued internally	28,496,288	29,994,911
2	Customers - invoices to be issued for commercial penalties	64,781	166,594
3	Customers - invoices to be issued externally	30,275,508	35,826,823
TOTAL		58,836,577	65,988,328

6.2.6 Other receivables

In the annual accounts, closed as at 31.12.2018, CN AB SA reflected under the “other receivables” item the following balances:

Other receivables	Balance as at 01.Dec.18	Balance as at 31.Dec.18	Differences from the beginning of the year
Other staff-related receivables	12,000	6,855	-5,115
Contribution for leaves and benefits	1,649,045	3,911,320	-2,262,275
VAT receivable	7,972,140	6,047,975	-1,924,165
VAT under settlement – debit balance	1,026,214	328,623	-697,591
Other receivables in connection with the state budget	2,252,692	151,090	-2,101,602
Settlements from joint operations - asset	9,118,254	10,552,597	1,434,143
Sundry debtors	2,183,413	3,202,994	1,019,581
Interest receivable	32,847	47,744	47,897
Suspense amounts	7,476	0	-7,476
Subsidies	0	-4	4
Total gross values	24,254,081	24,249,194	-4,887
Value adjustments	638,543	2,748,235	2,109,692
Total net values	23,615,538	21,500,959	-2,114,579

At the end of 2018 fiscal year, the Company’s **VAT receivable** had reached 6,047,975 lei, as amounts resulting from procurement of goods and services required for its own activities, representing VAT to be reimbursed and requested to be reimbursed as per the VAT returns for the months of August 2018 (1,320,798 lei), September 2018 (1,255,158 lei), October 2018 (370,941 lei), November 2018 (1,221,651 lei), December 2018 (1,879,427 lei).

For “Sundry debtors”, amounting to 3,202,994 lei according to the balance as at 31.12.2018, adjustments amounting to 2,748,235 lei were operated, representing:

- adjustments for Global Media SA (“Settlements from joint operations – asset”), amounting to 156,588 lei, for the unpaid debt pertaining to the terminated partnership agreement, and
- 2,591,647 lei for « Sundry debtors ».

6.2.7 Status of settlements from joint operations – asset

As at 31.12.2018, it appears as follows:

No.	Company designation	Gross value as at:		Impairment adjustments		Net value as at:	
		31.12.2017	31.12.2018	31.12.2017	31.12.2018	31.12.2017	31.12.2018
1	Dnata Catering S.A. (Alpha Rocas S.A.)	1,714,141	1,831,071	0	0	1,714,141	1,831,071
2	Ansamble Inflight SRL (Td Maci Trading SRL)	12,937	16,912	0	0	12,937	16,912
3	Global Media SA	156,588	156,588	156,588	156,588	0	0
4	Millenium Pro Design SRL	7,234,588	8,548,026	0	0	7,234,588	8,548,026
	TOTAL	9,118,254	10,552,597	156,588	156,588	8,961,666	10,396,009

6.2.8 Short-term investments

As at the end of 2018, CN AB SA reflected in its annual account a term deposit amounting to 30,300,000 lei opened with RAiffeisen BANK on 28.12.2018, with its maturity on 28.03.2019 and a 2.50% interest. In relation to this deposit, the Company acknowledged as interest income, in the annual accounts for 2018, the amount of 6,313 lei.

No.	Indicator	Balance 01.01.2018	Receipts	Releases	Balance 31.12.2018
1	Other short-term financial investments	50,000,000	30,300,000	50,000,000	30,300,000

6.2.9 Petty cash and bank accounts

The status of the monetary resources appears as follows:

No.	Indicator	Balance at 01.01.2018	Receipts	Releases	Balance at 31.12.2018
1.	Cash at bank, in lei	99,785,664	14,406,839,350	14,392,070,390	114,554,624
2.	Cash at bank, in foreign currencies	155,441,476	644,540,356	644,695,383	155,286,449
3.	Petty cash, in lei	223,257	60,540,679	60,533,457	230,479
4.	Petty cash, in in foreign currencies	855	498,550	498,531	874
5..	Other values	0			0
6.	Amounts under settlement				
7	Cash advances	0			
8.	TOTAL	255,451,252	15,112,418,935	15,097,797,761	270,072,426

The monetary resources in lei and in foreign currencies at banks comprise the amounts present in the current accounts opened with BRD, DGTCMB (*Bucharest General Directorate for Treasury and Public Accounting*), Raiffeisen Bank, Bancpost, BCR, Unicredit Ţiriac Bank and in the administrators' collateral accounts in cash.

The Company's monetary resources in foreign currencies at banks were evaluated using the exchange rate for 31.12.2018, communicated by the National Bank of Romania for the purpose of drawing up the 2018 financial statements.

Cash at bank, in lei:

BANK	ACCOUNT NO.	BALANCE
BANCA COMERCIALĂ ROMÂNĂ	RO93RNCB0082044172710001]	70,286,179
BANCA TRANSILVANIA – LIPSCANI BRANCH	RO68BTRLRONSALA426594801	366,351
BANCPOST SA	RO29BPOS85002721804ROL01	117,952
BRD - GROUPE SOCIETE GENERALE - HENRI COANDA BRANCH	RO40BRDE445SV12412444450	10
BANCA TRANSILVANIA - LIPSCANI BRANCH	RO75BTRLRONCRT0426594801	665
BRD - GROUPE SOCIETE GENERALE - HENRI COANDA BRANCH	RO14BBRDE445SV55986334450	18,360
BRD - GROUPE SOCIETE GENERALE - HENRI COANDA BRANCH	RO51BRDE445SA14812444450	117,000
BCR-UNIRII, ADMINISTRATOR COLLATERALS		8,219
GARANTI BANK SA	RO34UGBI0000422010865RON	136,370
RAIFFEISEN BANK – BĂNEASA	RO84RZBR0000060008659817	204,153
ING BANK N.V.AMSTERDAM - BUCHAREST BRANCH	RO59INGB0001008211678910	323,616
BRD - GROUPE SOCIETE GENERALE - HENRI COANDA BRANCH	RO60BRDE445SA14153634450]	877,796
BUCHAREST GENERAL DIRECTORATE FOR TREASURY AND PUBLIC ACCOUNTING	RO79TREZ7005069XXX004563_CN AB	2,134,079
BRD - GROUPE SOCIETE GENERALE - HENRI COANDA BRANCH, DEPOSIT IN LEI		8,139,637
UNICREDIT TIRIAC BANK - GRIGORE MORA BRANCH, DEPOSIT IN LEI		11,444,234
BANCA TRANSILVANIA - LIPSCANI BRANCH		20,380,000
TOTAL		114,554,624

No.	Account designation	Balance in foreign currency	Exchange rate	Equivalent in lei
1	BRD - HENRI COANDA BRANCH, Euro	20,358.04	4.6639	94,947.86
2	BRD - HENRI COANDA BRANCH, Account card OP.POS Euro-Euro	212,085.32	4.6639	989,144.72
3	BRD - HENRI COANDA BRANCH, Euro	3,346,126.61	4.6639	15,605,999.90
4	BRD - HENRI COANDA BRANCH, USD	6,004.57	4.0736	24,460.22
5	BRD - HENRI COANDA BRANCH, CANADIAN DOLLARS	3,162.53	2.9925	9,463.87
6	BRD - HENRI COANDA BRANCH, SWISS FRANCS	92.18	4.1404	381.66
7	BRD - AGENTIA HENRI COANDA, Sterling pounds	200.89	5.1931	1,043.24
8	BRD - HENRI COANDA BRANCH, SWEDISH CROWNS	486.51	0.4556	221.65
9	RAIFFEISEN BANK – BĂNEASA RO56RZBR0000060008659836, USD	1.15	4.0736	4.68
10	RAIFFEISEN BANK – BĂNEASA RO94RZBR0000060008659831, Euro	4,371.12	4.6639	20,386.47
12	UNICREDIT TIRIAC BANK - GRIGORE MORA BRANCH, Euro	2,398,999.90	4.6639	11,188,695.63
13	BANCA COMERCIALĂ ROMÂNĂ RO32RNCB0082044172710032,Euro	27,305,840.48	4.6639	127,351,709.41
	Total as at 31.12.2018			155,286,449.96

6.2.10 Deferred expenses

Accounting for and presenting items from the balance sheet and the profit and loss account takes the fiscal year cut-off principle into consideration. The expenses made/to be made throughout the current fiscal year, but which concern the future fiscal years, are distinctly entered in the accounting records, under deferred expenses (account 471 "Deferred expenses").

As at 31.12.2018, the Company's deferred expenses had reached 1,315,034 lei, as opposed to 562,622 lei the previous year. For these expenses, the company has drawn up schedules for the transition to costs, as follows:

- ✓ In 2019, 1,314,992 lei will be absorbed.
- ✓ In 2020, 42 lei will be absorbed.

The elements of deferred expenses as at 31.12.2018 appear as follows:

	31.12.2017	Increases	Releases	31.12.2018
ALIAD SRL	495.00	594.00	537.43	551.57
ASITO KAPITAL SA	0.00	42,700.17	25,620.09	17,080.08
CODECS S.A.	0.00	13,145.12	11,170.12	1,975.00
COMPANIA NAȚIONALĂ DE ADMINISTRARE A INFRASTRUCTURII RUTIERE SA (<i>National Company for Road Infrastructure Administration</i>)	29,578.01	36,944.52	40,158.27	26,364.26

THE BRITISH COUNCIL	0.00	1,499.00	374.75	1,124.25
CRESCENDO INTERNATIONAL SRL	0.00	281,234.25	0.00	281,234.25
GACAD NET S.R.L.	725.00	0.00	725.00	0.00
GOLD VOYAGE	68,357.00	1,021.00	69,378.00	0.00
INDACO SYSTEMS SRL	4,779.61	5,229.62	5,215.38	4,793.85
NATIONAL INSTITUTE FOR RESEARCH & DEVELOPMENT IN INFORMATICS - ICI BUCHAREST	0.00	307.89	139.95	167.94
IT LEARNING SRL	0.00	2,496.00	1,872.00	624.00
OK SERVICE CORPORATION	67,957.50	0.00	0.00	67,957.50
OMNIASIG VIENNA INSURANCE GROUP	368,283.12	2,336,453.52	1,826,334.96	878,401.68
ORACLE ROMANIA SRL	11,090.75	44,362.97	44,363.03	11,090.69
RENTROP&STRATON - GRUP DE EDITURĂ ȘI CONSULTANȚĂ ÎN AFACERI SRL	5,209.80	15,890.00	18,396.81	2,702.99
STERICYCLE ROMANIA SRL (FORMER STERICARE ROMANIA)	145.83	0.00	145.83	0.00
TRIP CODE SRL	0.00	11,420.00	11,420.00	0.00
UNIQA ASIGURARI SA	0.00	52,413.75	31,448.25	20,965.50
BABEȘ BOLYAI UNIVERSITY	6,000.00	0.00	6,000.00	0.00
Report total:	562,621.62	14,653,305.41	13,900,893.47	1,315,033.56

Explanatory note no. 7 – Liabilities

Liabilities comprise:

- current liabilities
- long-term liabilities

All the liabilities are recorded directly in the accounting records, based on supporting documents.

Accounting secures records with the Company's liabilities generated by its relations with the suppliers, the personnel, the social security budget, the state budget, affiliated entities, associated entities and jointly controlled entities, its shareholders and sundry creditors.

The supplier-related accounting records operations identified as purchases, as well as other similar transactions carried out.

The payables to sellers of goods and service providers, respectively, from which invoices are not received by the end of the month, shall be distinctly emphasized in the accounting records (account 408 "Suppliers - invoices to be received"), based on the documents which certify the receipt of the goods or the services in question.

Late-payment interest and penalties, as well as other liabilities of similar nature are acknowledged either in the profit and loss account, or in the balance carried forward, depending on the period they relate to and in compliance with the provisions of the Accounting policies manual.

Liabilities in foreign currencies, resulted from the Company's transactions, are entered in the accounting records both in lei and in foreign currencies, in line with the provisions of the accounting regulations applied.

In the case of purchased goods accompanied by an invoice or a delivery note, with the invoice to be subsequently received, the exchange rate used for registration in the accounting records is the exchange rate on the date of receipt of the goods.

7.1. Current liabilities – Trade payables

The company classifies a liability as a current liability when:

- it envisages the liability would be settled throughout the company's normal business cycle;
- the liability is primarily held for trading purposes;
- the liability is to be settled within twelve months following the reporting period;
- the company does not have an unconditional right to postpone settling the liability for at least twelve months following the reporting period.

All the other liabilities not identified as current liabilities are long-term liabilities.

The status and evolution of short-term liabilities in 2018 appears as follows:

No.	Type of liability	Balance 31.12.2018	Increases	Decreases	Balance 31.12.2019
1.	Trade payables, of which:	<u>26,717,117</u>			<u>25,828,473</u>
	- suppliers	10,351,424	245,181,329	239,668,430	15,864,323
	- asset suppliers	3,775,675	15,325,381	18,602,188	498,869
	- suppliers – invoices to be received	12,590,018	10,122,297	13,247,033	9,465,282
2.	Trade notes payable	1,304,586		1,304,586	0
3.	Advance payments from customers	44,533,523	445,982,274	440,381,794	50,134,003
4.	Bank loans	0	0	0	0
5.	Other liabilities	31,347,385	369,238,053	366,060,204	34,525,234
	TOTAL	103,902,611	1,085,849,334	1,079,264,235	110,487,710

In regard to the age-based structure of outstanding payables to suppliers, present in the balance as at 31.12.2018, it appears as follows:

No.	Method of making payables to suppliers	Suppliers
1.	Under 30 days and within deadline	15,121,078
2.	Between 30 and 60 days	407,345
3.	More than 60 days	834,769
	Total suppliers	16,363,192

Other liabilities consist in:

No.	Type of liability	Balance	Increases	Decreases	Balance
		31.12.2017			31.12.2018
1.	Other loans and similar liabilities (guarantees)	4,385,167	6,230,150	3,112,297	7,503,020
2.	Employees - salaries payable	5,116,485	194,555,054	195,474,885	4,196,654
3.	Employees - social benefits due	233,658	4,505,412	4,339,091	399,979
4.	Employees' rights not claimed	2,464	1,054		3,518
5.	Salary withholdings payable to third parties	395,372	3,921,529	3,902,240	414,661
6.	Other employee-related payables	891,416	243,146	172,923	961,641
7.	Social security	6,310,655	68,157,993	68,219,168	6,249,480
8.	Unemployment benefits	208,708		208,708	0
9.	Corporate income tax	11,328,644	76,010,851	74,148,824	13,190,671
10.	Tax on salaries	2,327,154	13,872,016	15,080,903	1,118,267
11.	Special funds	71,050	1,222,940	1,195,988	98,002
12.	Dividends	-1	0	-1	0
13.	Sundry creditors	76,569	513,549	205,136	384,982
14.	Other payables to the state budget	0	4,359	0	4,359
15.	VAT under settlement from VAT adjustments	42	0	42	0
	TOTAL	31,347,385	369,238,053	366,060,204	34,525,234

The tax liabilities consisting in taxes and duties due to the general consolidated state budget are always paid on their due dates. The balances as at 31.12.2018 are settled according to the legal maturities and deadlines.

The Company has not undergone any general tax inspection since its establishment, intended to acknowledge the accurate calculation and registration, in line with the normatives in force, of the liabilities consisting in taxes and duties due to the general consolidated budget.

7.2. Long-term liabilities

The accounting records of loans and similar liabilities fall into the following categories: debenture loans and premiums on redemption of debentures, long- and medium-term bank loans, amounts due to affiliated entities, associated entities and jointly controlled entities, other loans and similar debts, as well as the interest pertaining to them.

The liabilities related to concessions and other similar debts are those determined by the goods taken over under such designation, according to the contracts concluded by the entity.

The company maintains the classification of interest-bearing long-term liabilities under this category even when they are payable within 12 months from the balance sheet date, provided that:

- a) the initial deadline mentions a period in excess of 12 months;
- b) there is an agreement to refinance or reschedule payments, concluded prior to the balance sheet date.

The status and trends of long-term liabilities in 2018 appear as follows:

No.	Liability type	Balance as at 31.12.2017	Increases	Decreases	Balance as at 31.12.2018
1.	Trade notes payable	0			0
2.	Bank loans	0			0
3.	Deferred corporate income tax	28,578,113	32,938,115	7,311,414	54,204,814
4.	TOTAL	28,578,113	32,938,115	7,311,414	54,204,814

7.3. Concessions of goods from the state public domain

As at 31.12.2018, the concessions of public assets, representing boarding-disembarking platforms, landing and take-off runways, airstrips and the related lands add up to a total amount of 2,067,595,487 lei, as follows:

- 1) In case of the former CN AIHCB SA, the concessions received amounting to 399,559,217 lei were taken over pursuant to contract no. MM/2716/10.06.2001 from MLPTL (*Ministry of Public Works, Transportation and Housing*).
- 2) In case of the former SN AIBB SA, the concessions received amounting to 1,668,036,270 lei were taken over from MLPTL pursuant to contract no. 2715/01.06.2001 and addendum MM 122/15.01.2002.

Since 2011, the concessions of public assets have been reflected outside the balance sheet, emphasized into an off-balance sheet account.

Explanatory note no. 8 – Provisions

Provisions are intended to cover the liabilities the nature of which is clearly defined and which, as at the balance sheet date, are likely to exist or will certainly exist, but which are uncertain in terms of their value or future date of occurrence.

The provisions set up by the Company are analysed in order to be correlated with the estimated risks and expenses.

A provision is a liability with uncertain payability or value.

A provision is acknowledged strictly when:

- the company has a current obligation generated by a previous event;
- it is likely that a release of resources will be necessary in order to fulfil the respective obligation; and

- a credible value estimate of that obligation can be made.

The provision categories set up by the Company are:

- a) provisions for litigations, penalties, indemnifications, damages and other doubtful debts (account 1511);
- b) provisions for pensions and obligations (account 1517);
- c) other provisions (account 1518);

The accounting records of provisions are managed by type, depending on their nature, on the purpose or subject matter for which they were set up.

As at December 31, 2018 CN AB SA set up provisions for risks and expenditure, amounting to 76,440,357 lei, as opposed to 69,227,036 lei in 2017, indicating an increase by 7,213,321 lei.

The structure of the provisions for risks and expenses appears as follows:

Provision designation	Balance as at 01.01.2017			Balance as at 31.12.2018
		Increases	Decreases	
Salaried employees' profit sharing provision	5,216,725	6,905,636	5,216,725	6,905,636
Salaried employees' transportation provision	2,122,136	0	2,122,136	0
Provision for leaves not taken	933,206	1,612,887	933,206	1,612,887
Pensions and loyalty provision	24,714,551	4,634,661		29,349,212
Provision for litigations	36,240,418	10,005,679	7,673,475	38,572,622
Total	69,227,036	23,158,863	15,945,542	76,440,357

At the end of the 2018 fiscal year, CN AB SA set up, in accordance with the provisions of MFP Order no. 144/22.02.2005 and Government Ordinance no. 64/2001, a provision for risks and expenditure based on the monthly gross average salary achieved over the current year, in order to create the salaried employee's profit sharing fund, amounting to 6,905,636 lei.

A provision for annual leaves pertaining to 2017 and not taken by 31.12.2018, amounting to 87,126 lei, and a provision for annual leaves pertaining to 2018 and not taken by 31.12.2018, amounting to 1,525,761 lei, were set up.

Considering the provisions of the collective labour agreement on the payment of entitlements to those who retire, but also of loyalty premiums, the Company set up a provision for risks and expenses, amounting to 29,349,211.50 lei, showing an increase by 4,634,660 lei as opposed to 31.12.2017, corresponding to the actuarial assumptions taken into consideration to determine the due amounts.

The provisions set up within the Company are reviewed on every balance sheet date and adjusted to reflect the best current estimate. In the event that, in order to settle an obligation a release of resources is unlikely to happen, the provision shall be cancelled via carry-over under revenues.

The provisions shall be used strictly for the purpose for which they were initially acknowledged. Therefore, only expenses related to the initial provision may be covered from that provision. Settling expenses from a provision initially acknowledged for a different purpose would hide the impact of two different events. Provisions are assessed prior to determining the corporate income tax, their tax treatment being stipulated by the tax legislation

The Company set up in 2018 provisions for litigations, amounting to 38,572,622 lei, as opposed to 36,240,417 lei at the end of 2017, showing an increase by 2,332,205 lei. The status of each case file is as follows:

Summary table of provisions for litigations as at 31.12.2018

Account	Designation	31.12.2018	Increases (+) Decreases (-)	31.12.2019
1511	Case file no. 46239/3/2012. CN AB - defendant, Zamfirescu Mircea and CNAB. Claims, as per Law 10/2001- claims of 500,000 lei according to the property valuation report (100% provision). As per Decision no. 2285/12.11.2018, CNAB is ordered to return in kind 4,393 sq m	375,000.00	125,000.00	500,000.00
1511	Case file no. 2105/3/2010. Porthole, Orest, Elangeni vs Romatsa and CNAB. Damages to the owner: 703,798.66 EURO, damages to the operator: 1,369,438.66 EURO, statutory interest, court charges: 112,672.29lei (50% provision)	4,886,668.12	60,690.94	4,947,359.06
1511	Case file no. 10028/94/2016. Iacob Mihaela Olivia and CNAB SA. Claims - 7,000 EURO (100% provision). Claims figure changed and 20,000 Euro won on the merits	32,617.90	60,660.10	93,278.00
1511	Case file 763/93/2016. Patriciu Valeriu Romulus Șerban, GG Sky Imobiliare Invest SRL, Hein Romania SRL vs CNAB, Claims of 1000 EURO/month for the period between 2000 and the judicial order delivery date (50% provision) (1000 EURO*17 years*12 months/year*50%)	475,289.40	428.40	475,717.80
1511	Case file no. 2378/93/2017. Tehcon - plaintiff, CNAB - defendant, ascertainment of termination and claims amounting to 510,616.42 plus the payment of delay penalties (30% provision)	153,184.93	0.00	153,184.93
1511	Case file no. 418/93/2017. Tehcon - plaintiff, unjust enrichment – counterclaim by CNAB, 648,587.39 plus the payment of delay penalties (30% provision)	194,576.22	0.00	194,576.22
1511	Case file no. 2114/93/2016. CNAB vs. Sorin Paul Stoicescu (plaintiff) - claims of 1,001,186.48, admission of petition, 543,108.36 lei as material prejudice + 9,036.08 as legal stamp duty (100% provision)	552,144.44	0.00	552,144.44
1511	Case file no. 3106/93/2015. Plaintiff - Romprest Security SRL, defendant - CNAB, claims of 8,972,068.96 lei (50% provision)	4,486,034.48	0.00	4,486,034.48
1511	Case file 3700/93/2017. Plaintiff - Romprest Security SRL, defendant - CNAB, claims of 7,296,802.56 lei (50% provision)	3,648,401.28	0.00	3,648,401.28

1511	Case file 9466/94/2015. Hershkovitz Hermina - plaintiff, CNAB - defendant, claims of 30,000 Euro	69,895.50	-69,895.50	0.00
1511	Case file 35576/3/2017(5448/2018), Appellant-plaintiff - Martian Dan, Defendant - CNAB – labour litigation	0.00	84,000.00	84,000.00
1511	Case file 32671/3/2017, plaintiff - Nei Divizia de Securitate SRL, defendants - CN AB and AKYLE SECURITY SRL	0.00	130,000.00	130,000.00
1511	Case file 58540/3/2010 – 15,997 sq m land, Dăscălița Monica, Nastase Bogdan, Nastase Camelia. Case file subject matter: damages amounting to 63,410,000 lei as the equivalent value of the land. Case file in the “motion to dismiss” phase (10% provision)	6,341,000.00	-6,341,000.00	0.00
1511	Case file 1690/3/2012 (former 44942/3/2011) - SC SEQA International SRL. Case file subject matter: damages of 7,600,000 lei for building non-availability for use (25% provision). The provision set up is maintained, however, for the appeal-related value. The provision set up is maintained. A ruling stating that the amount of 1,403,515 Euro be jointly paid	1,900,000.00	-263,536.60	1,636,463.40
1511	Case file no. 36291/3/2015, Secureplus SRL, Millenium Pro Design SRL, Gamma Proconsult SRL, Martin Travel Management SRL. Case file subject matter: judicial document nullity and the defendants be ordered to pay the amount of 1,475,972.68 (50% provision). The provision set up is maintained	737,986.00	0.00	737,986.00
1511	Case file 3490/93/2013 Romprest Service SA, Jet bridge disinfection, pest control and disinfection services. Case file subject matter: to be ordered to pay the amount of 106,589.07 lei as the equivalent value of the services rendered + 5,236.78 lei as court charges. The petition was dismissed on the merits. The case file is in its “second appeal” phase. (50% provision). The provision set up is maintained	55,913.00	0.00	55,913.00
1511	Case file 3529/94/2018. Podariu Ioan, deprivation of use of the land measuring 4,300 sq m - Otopeni (100% provision) – (legal advisor Podea Bogdan) – new petition filed on the same subject matter	0.00	1,124,244.00	1,124,244.00
1511	Case file 3097/94/2014, Autorent SRL, 100% provision - 3000 lei as court charges	3,000.00	0.00	3,000.00
1511	Case file 22183/MHM - ICC, plaintiff - Romairport, claims: loss of profit and additional mobilisation costs amounting to 20,095,638.67 lei (10% provision)	2,009,563.00	0.00	2,009,563.00
1511	Case file no. 22371/MHM ICC (Paris International Court of Arbitration), plaintiff - Romairport. Claims of 12,000,000 Euro, subsequently adjusted to 74,593,764 lei (10% provision)	5,449,320.00	2,010,056.40	7,459,376.40
1511	Case file 1798/93/2016, Ministry of Transportation - plaintiff, claims: interest on the non-payment of dividends pertaining to the year 2013, amounting to 1,478,965.90 lei plus court charges (100% provision)	1,478,866.00	0.00	1,478,866.00
1511	Case file no. 3228/93/2015 Fortress Av Ltd., 66,420.80 Euro	301,623.49	8,152.75	309,776.24
1511	Case file 3404/93/2016. S.C. Pool Engineering SRL, 220,000 Euro. Trial ended on the merits – the plaintiff’s motion was dismissed. The plaintiff did not file any appeal.	999,042.00	-999,042.00	0.00
1511	Case file no. 13698/94/2016. Plaintiff - LIMOROM SRL. 21,980.24 lei for unpaid invoice + 17,953.88 lei as delay penalties (100% provision)	39,934.12	0.00	39,934.12
1511	Case file no. 3117/93/2016. Plaintiff - Bodea Marius, claims: 69,000 Euro + interest + inflation rate.	321,519.30	289.70	321,809.00

1511	Case file no. 1644/93/2017. Plaintiff - Liviu Radu - claims: 282,940 Euro. According to the ruling on the merits, the law court approved of the amount of 167,620 lei for the management contract + 1,133,900 lei as liquidated damages for the contract of mandate + 29,040 as court charges.	1,318,415.52	16,144.48	1,334,560.00
1511	Case file no. 1671/93/2017. Plaintiff - Bogdan Gaurean - claims: 69,000 Euro. The provision is increased (100%).	162,157.56	159,651.54	321,809.10
1511	Case file no. 1672/93/2017. Plaintiff - Merica Radu – 248,265 lei, representing the principal, plus the related statutory interest from the maturity date of each payment obligation, until the complete payment of the debt, as well as CN AB SA being ordered to pay the court charges amounting to 12,894.16 lei representing the legal stamp duty and the lawyers' fees.	248,265.00	12,894.16	261,159.16
1511	Case file 1859/93/2018. UTI GRUP SA - Plaintiff, claims of 1,530,372.60 lei, 2,515,932.55 lei as late-payment penalties (100% provision)	0.00	4,046,305.15	4,046,305.15
1511	Case file 125/93/2018, MIRICA DIMITRESCU - Plaintiff, The payment of 1,001,186.48 lei as consideration due pursuant to contract of mandate no. 2531/10.06.2015 concluded between the Company and the Administrator; the payment of court charges, acc. to art. 453 in the Civil Procedure Code	0.00	1,001,186.48	1,001,186.48
1511	Case file no. 8770/12010* Buculescu Alexandru - Law 10/2001 - re-trial on the merits; request for moral prejudice amounting to 1,000,000 Euro (25%)	0.00	1,165,975.00	1,165,975.00
	Total 6812 = 1511	36,240,417.26	10,005,679.10	38,572,622.26
	Total 1511 = 7812		7,673,474.10	

Explanatory note no. 9 – Deferred income

9.1. Investment subsidies

Account 475 “Investment subsidies” contains records of government subsidies for investments, of non-reimbursable loans operating as investment subsidies, of donations for investments, of excess inventory identified as fixed assets and of other amounts received as investment subsidies.

The account diminishment, via debt transactions, is performed by acknowledging under revenues the share of investment subsidies, corresponding to the calculated amortisation or by decommissioning/derecognising assets.

The company acknowledged into the subsidies account the equivalent value of the lands it received from the Romanian state in order to increase its share capital.

When the account balances were restated as at 31.12.2014, the recorded subsidies pertaining to the lands received from the Ministry of Transportation in order to increase the share capital, amounting to 41,899,372 lei, were reclassified and moved from those investment subsidy accounts to the equity accounts, namely in “Other reserves”.

As at 31.12.2015, the balance of the account “Revaluation reserves” pertaining to the lands received by the company to increase its share capital, amounting to 10,177,992 lei, was restated by being moved under the “Other reserves” account.

At the end of 2017, CN AB SA recorded, under the “Investment subsidies” item, a balance of 230,781,908 lei, a decrease from the previous year balance by 11,530,196 lei.

In accordance with the provisions of the accounting benchmarks and assets for which these subsidies were granted, the company reflected in the financial statements the method of recording this balance under revenues, namely the amount of 17,822,731 lei for 2018 and the amount of 212,959,177 lei for the following years.

At the end of 2018, CNAB SA achieved under the “Investment subsidies” item a balance of 213,877,490 lei, as follows:

lei					
No.		Balance 01.01.2018	Increases	Decreases	Balance 12.12.2018
1.	Subsidies	229,388,998		15,725,397	213,663,601
2.	Donations	267,022		54,075	212,947
3.	Excess inventory	941	1		942
4.	TOTAL	229,656,961	1	15,779,472	213,877,490

According to the stock-taking performed at the end of 2018, and in accordance with the title deeds and the land registrations pertaining to the current lands of CN AB SA, a 1 leu surplus was ascertained.

9.2. Deferred income

The income collected/to be collected during the current fiscal year, but which concern the future fiscal years, shall be distinctly entered in the accounting records, under deferred income (account 472 “Deferred income”).

Into these accounts, one shall primarily enter the following income: revenues from leases, subscriptions and other revenues pertaining to the following periods or fiscal years.

The deferred income increases are generated by receipts during the current period for the future periods, whereas the decreases are transfers from the deferred income to the incomes of current periods.

Reporting deferred income takes into consideration:

- the amounts to be carried over within a period of less than one year;
- the amounts to be carried over within a period in excess of one year.

As at 31.12.2018, the balance of CN AB SA under the “Deferred income” item was 282,219 lei, a decrease by 38,148 lei from 2017.

This balance originates from the advance payments made for the airport parking spots and pertaining to the year 2019.

Explanatory note no. 10 – Shareholders’ equity

10.1. Shareholders’ equity

The **shareholders’ equity** represents the shareholders’ residual equity interests in the Company’s assets after deducting all of its liabilities, namely the Company’s wealth.

According to item 148 in the Accounting regulations compliant with IFRS and approved by OMFP no. 2844/2016, shareholders’ equity comprises:

- Subscribed share capital paid;
- Revaluation reserves;
- Reserves;
- Profit or loss carried forward;
- Fiscal year profit or loss.

In elaborating the annual financial statements, the company adopted the financial concept of capital.

According to this concept, capital is synonymous with the entity’s net assets or shareholders’ equity.

The evolution of shareholders’ equity as at 31.12.2016, 31.12.2017 and 31.112018 is the following:

Year			
	2016	2017	2018
Shareholders’ equity element			
Share capital	143,772,150	143,772,150	143,772,150
Share capital adjustments – application of IAS 29	64,277,781	64,277,781	64,277,781
Other shareholders’ equity elements	0	-31,761,842	-62,366,975
Revaluation reserves	156,986,134	117,080,820	252,689,897
Legal reserves	28,754,430	28,754,430	28,754,430
Other reserves	3,221,018,553	3,041,547,852	2,920,327,300
Balance carried forward, except for the balance carried forward on the first adoption of IAS 29	279,660,029	353,248,029	320,656,251
Balance carried forward on the first adoption of IAS 29	98,477,283	76,796,989	73,265,740
Fiscal year profit	224,700,296	290,685,038	371,822,393
TOTAL SHAREHOLDERS’ EQUITY	4,217,646,656	4,084,401,247	4,113,198,967

10.2. Share capital

The subscribed share capital and the paid share capital are distinctly entered in the accounting records, based on the legal entity's articles of incorporation and the supporting documents on capital deposits made as part of the establishment and the capital increase.

The analytical accounting of share capital is conducted by individual shareholder, comprising the number and nominal value of the subscribed and paid shares or equity shares.

The Company's initial share capital amounts to 143.772.150 lei, being fully subscribed and paid on the Company establishment date, 80% of it held by the Romanian state, represented by the Ministry of Transportation, and 20% by Fondul Proprietatea. From establishment to 31.12.2016, no changes were brought to either the share capital or its structure.

The initial share capital is divided into 14,377,215 nominal shares, each with a nominal value of 10 lei, held as follows:

- a) 11,501,772 shares by the Romanian state, represented by the Ministry of Transportation and Infrastructure;
- b) 2,875,443 shares by Fondul Proprietatea.

The Company's share capital was created by taking over the share capital of National Company "Aeroportul Internațional Henri Coanda – București" S.A. and that of National Company "Aeroportul Internațional București Băneasa – Aurel Vlaicu" S.A., according to the financial statements drawn up on 05.02.2010.

The share capital value is distinctly presented in the statement of financial position and the statement of changes in own equity. The main operations entered in the accounting records in terms of share capital increase are: the subscription and issuance of new shares, the registration of reserves and other operations, according to the law. The operations entered in the accounting records in terms of share capital decrease are, primarily, the following: decreasing the number of shares or equity shares or lowering their nominal value following the withdrawal of shareholders, redeeming shares, covering accounting losses from previous years or other operations, as provided by the law.

The derecognition of a good which constituted a share capital contribution does not modify the share capital, except for the cases provided by the legislation in force. In all cases of changes brought to the share capital, they shall take place pursuant to a decision by the shareholders' general assembly, in compliance with the legislation in force.

The value of share capital adjustments is distinctly entered under account 1028 "Adjustments to the share capital/state-owned equity plus assets", and concerns differences from inflation adjustments, pertaining to the share capital. These share capital adjustments, as a result of applying the IFRS, do not affect the company's subscribed share capital. The differences resulted from adjustments made following the application of IAS 29 were reflected in account 118 "Balance carried forward on the first adoption of IAS 29". Since the share capital was subscribed before 2003, a period throughout which Romania was a hyperinflationary economy, the company recorded share capital value differences originating from hyperinflation adjustments, amounting to 64,277,781 lei. The adjustment was performed on 31.12.2014.

The Company's shares subscribed and fully paid by the shareholders are nominal shares, of equal value and granting their owners equal rights.

As per SGEA (Shareholders' General Extraordinary Assembly) Decision no. 10/06.11.2018, item 3, a share capital increase by a maximum value of 336,462,600 lei was unanimously (100%) approved, representing a contribution in kind in the form of the lands for which land ownership certificates no. M09-0733/04.04.2000, M09-0794/04.10.2001 and M09-0795/04.10.2001 were issued, amounting to 269,170,080 lei, and a cash contribution amounting to 67,292,520 lei, from the current value of 143,772,150 lei to the maximum value of 480,234,750 lei, through the issuance of a maximum number of 33,646,260 new dematerialised nominal shares, at a value of 10 lei/share (excluding the issuance premium), of which:

- 26,917,008 new shares amounting to 269,170,080 lei and representing the Romanian state's contribution in kind via the Ministry of Transportation, in the form of lands for which land ownership certificates were obtained. The value of the lands provided as contribution in kind was determined as per assessment report no. 2016245 registered with CNAB under no. 1503/12.04.2017, a report drawn up by MAPPS-MASTER APPRAISAL SRL, following the decision of the Trade Register Office attached to Ilfov County Court.
- 6,729,252 new shares amounting to 67,292,520 lei, to be provided, for subscription purposes, to Fondul Proprietatea shareholder, so that it should be able to maintain its participations in the company's share capital, according to art. 216 in Law no. 31/1990. Fondul Proprietatea shareholder may exercise its right of first refusal within 60 days from the date when the SGEA Decision has been published in the Official Gazette, Part IV. Following the expiration of this deadline, the unsubscribed shares shall be cancelled.

As per SGEA Decision no. 10/06.11.2018, item 4, the company's Management Board was unanimously (100%) mandated, in accordance with the provisions of art. 114 par 1 in Law 31/1990, to carry out any and all the formalities required to fulfil the SGEA decision, including, without limitation to, **ascertaining and validating subscriptions**, cancelling the unsubscribed shares, **registering and operating the share capital increase**, amending accordingly the articles of incorporation of CN AB SA after setting forth the actual value by which the share capital will increase, drawing up and signing all the documents and carrying out any formalities required to operate and register the share capital increase with the competent authorities. SGEA Decision no. 10/06.11.2018 was published in the Official Gazette no. 44/07.01.2019, Part IV.

On 17.01.2019, Fondul Proprietatea SA, according to payment order no. 2019117113550916, transferred to CN Aeroporturi București SA the amount of 67,292,520 lei representing "the payment for share capital increase subscription of 6,729,252 Shares x 10 Ron/Share - participation to be maintained acc. to SGEA decision no. 10 from 06.11.2011" (PO attached to the present notice). This amount was received into the CN AB SA account as per bank statement no. 4790 from 18.01.2019 (enclosed bank statement). According to report no. 261201 generated on 12.02.2019, at 14:01:01, by the National Trade Register Office, the subscribed share capital is 143,772,150 lei, fully paid. The "Other mentions" column comprises, under entry number 118190/05.12.2018, SGEA Decision no. 10/06.11.2018 on the share capital increase/decrease.

In accordance with the provisions of art. 219 par. 1 in **Companies Law no. 31/1990, as subsequently amended and supplemented**, “The decision of the general assembly regarding the increase of share capital shall be effective only to the extent to which it is fulfilled within one year from the date it was passed”.

As at the date of the present financial statements, steps are being taken to obtain, in authenticated form, SGEA Decision no. 10/06.11.2018, a measure that is required in for registering the mention on increasing the companies’ share capital with the Trade Register and for publication in the Official Gazette of Romania.

10.3. Revaluation reserves

The evolution of the balances of the “Revaluation reserves” account, in line with IFRS, as at 31.12.2016, 31.12.2017 and 31.12.2018, is as follows:

Year	2016	2017	2018
Revaluation reserves	according to IFRS	according to IFRS	according to IFRS
Initial balances	87,152,078¹	156,986,133²	117,080,820³
Increases, of which:	83,376,150	23,988,448	217,991,169
adoption of IFRS	83,376,150	44,717,673	
Decreases, of which:	13,342,095	63,893,761	82,382,092
adoption of IFRS	5,954,860	56,516,563	
Balances as at December 31, according to IFRS	156,986,133	117,080,820	252,689,897

10.4. Reserves

The accounting records of reserves are held by reserve category: legal reserves, statutory or contractual reserves and other reserves.

The company has set up:

- Legal reserves and
- Other reserves.

10.4.1 Legal reserves

The company set up its legal reserve, over the years prior to 2018, according to the provisions of art. 183 par. (1) in Law no. 31/1990, as subsequently amended and supplemented, namely *(1) The company shall take at least 5% of the profits every year, in order to form the reserve fund until it amounts to a minimum of a fifth part of the share capital.*

The legal reserve is **28,754,430** lei, which represents 20% of the 143,772,150 lei share capital. The legal reserves can only be used under the conditions provided by the law.

10.4.2 Other reserves

As at 31.12.2018, the balance of account 1068 “Other reserves” is **2,920,327,300** lei and comprises:

¹ The balance as at 01.01.2016, according to IFRS, and equal to the balance as at 31.12.2015, according to IFRS

² The balance as at 01.01.2017, according to IFRS, and equal to the balance as at 31.12.2016, according to IFRS

³ The balance as at 01.01.2018, according to IFRS, and equal to the balance as at 31.12.2017, according to IFRS

a) The amount of 217,809,155 lei, which includes the amounts allotted as own funding sources from the net profit, in the account “Other reserves” – analytical and distinctive, pursuant to art. 1 par. (1) let. g) in Ordinance no. 64/2001, as subsequently amended and supplemented, between the establishment date of National Company Aeroporturi București SA and December 31, 2018, as follows:

Other reserves (account 1068)	Initial balance as at 01.01.2018	Distribution of dividends 2018	Distribution from the fiscal year net profit	Final balance as at 31.12.2018
OTHER RESERVES, FISCAL REGULATIONS SPECIFIC TO CORPORATE INCOME TAX	24,769,359			24,769,359
OTHER RESERVES, FISCAL REGULATIONS ACC. TO GD 64/PCT C_FF 2004	8,948,105			8,948,105
Other reserves - exchange rate differences	6,626,031			6,626,031
Other reserves - 2002	609,394	609,394		
Other reserves - 2003	5,552,948			5,552,947
Other reserves - 2007	3,822,298	3,822,298		0
Other reserves - 2008	47,481,246	47,481,246		0
Other reserves - 2009	30,484,833	30,484,833		0
Other reserves - miscellaneous	45,184,375	19,204,921		25,979,454
Other reserves - Investments acc. to GO 87/2002	14,920,383			14,920,383
Other reserves - Băneasa	24,453	24,453		0
Other non-distributable reserves - Cr. Ext. F2 Extended	40,384,690			40,384,690
Other non-distributable reserves - Cr. Ext. Phase 2	64,112,762			64,112,762
Other reserves - 2016	19,404,353	19,404,353		0
Other reserves – 2017	0	28,779,449	28,779,449	0
Reserves for 2005 corporate income tax, TF (trust fund)	12,763,825			12,763,825
Reserves for 2006 corporate income tax, TF	13,751,599			13,751,599
Own funding sources, Băneasa	189,053	189,053		0
TOTAL	339,029,707	150,000,000	28,779,449	217,809,155

b) The amount of 2,702,518,145 lei, resulted from restatement according to IFRS, from the following operations:

- ✓ The reclassification of the lands received by the company from the Romanian state in order to increase its share capital and recorded under “Investment subsidies”, amounting to 41,899,372 lei (2014) + 10,177,992 lei (2015), by means of transferring them under “Other reserves”;
- ✓ The application of IAS 29 to the amount of 25,396,093 lei (2014), transferred from “Investment subsidies” to “Other reserves”, which increased the “Other reserves” account;
- ✓ The reclassification of the revaluation reserves amounting to 2,829,858,261 lei (2014), related to the lands received in order to increase the share capital, under “Other reserves”;
- ✓ The depreciation of 205.938.520 lei identified following the performance by a certified valuator of the global depreciation test according to IAS 36, and allocated to the value of the lands in Băneasa area received in order to increase the share capital, whereas “Other reserves” account was reduced accordingly.

- ✓ Excess inventory as a result of the 2017 general stock-taking, for the lands in Băneasa area, amounting to **1,124,946** lei, an amount comprising 71,249 lei related to the investment subsidy and 1,053,697 lei from revaluation, as per the 2017 stock-taking protocol.

In regard to the value of the global depreciation applicable to Băneasa airport, it is present throughout 2018, as well, considering that no changes occurred to the value of the lands compared with 2017.

Other reserves (Băneasa land)	Debt adjustments	Credit adjustments
Adjustment acc. to IAS 29 for the account Other reserves for share capital increase - Băneasa Lands, Total	0	25,396,093
Provision as per IAS36 – Romlider report – Global Depreciation Test – allocated for the value of Băneasa lands, Total	205,938,520	0
Reclassification of lands received in order to increase the share capital, Total	0	10,177,992
Reclassification of lands for the capital share increase, Total	0	41,899,372
Revaluation reserve for Băneasa Lands 2014, Romlider, Total	0	2,829,858,261
2017 excess inventory		1,124,946
TOTAL rollovers	205,938,520	2,908,456,665
Final balance as at 31.12.2018		2,702,518,145

10.5. Balance carried forward

10.5.1 Balance carried forward, except for the balance carried forward on the first adoption of IAS 29

The company emphasized in account 117 the Balance carried forward, except for the balance carried forward on the first adoption of IAS 29:

- Balance carried forward from the correction of accounting errors (A/L) (*assets/liabilities*)
- Balance carried forward representing surplus from revaluation reserves (L)
- Balance carried forward from switching to the application of IFRS, less IAS 29 (A/L)

By restating the information recorded in account 117 - Balance carried forward, except for the balance carried forward on the first adoption of IAS 29, the balance as at 31.12.2018 was 320,656,251 lei.

The progress status of the balance carried forward (117) in 2018 is as follows:

No.		Balance	Increases	Decreases	Balance
		01.012018			31.12.2018
1	Balance carried forward from the correction of accounting errors, of which: application of IFRS	-2,809,318	3,792,579	1,851,301	-868,040
2	Balance carried forward representing the surplus from revaluation reserves, of which IFRS	81,430,746	11,149,705	1,771,453	90,808,998

3	Balance carried forward from switching to the application of IFRS, less IAS 29, of which IFRS	252,946,307		46,869,292	206,077,015
4	Earnings as per IAS29 – as part of a carried forward balance drawn up for amortised fixed assets	21,680,294	3,519,512	561,528	24,638,278
5	TOTAL	353,248,029	18,461,796	51,053,574	320,656,251

10.5.2 Balance carried forward on the first adoption of IAS 29

The company recorded in account 118 the Balance carried forward on the first adoption of IAS 29 (A/L), inflation-adjusted due to the fact Romania had a hyperinflation-marked economy until 31.12.2003.

As a result of applying IAS 29, the balance of account 118 is 69,477,766 lei, all the inflation adjustments being performed on the balances as at 31.12.2014 and the transfer of the earnings, according to IAS 29, under the Balance carried forward being done for fixed assets amortised / disposed of in 2019 and amounting to 3,294,346 lei, in correspondence with account 1175.

Account designation	Account symbol	Credit initial balance 01.01.2018	Debt current rollovers	Credit current rollovers	Credit final balance 31.12.2018
Balance carried forward on the first adoption of IAS 29 – Share capital	118.1	-64,277,781			-64,277,781
IAS 29 - Lands][Otopeni][Land/ Otopeni - GD 834/1991; MO 9-0751/31.10 2000, Area = 4,526,026.3926 sq m)(following the 2017 inventory - adjustment 2911(-4812.54 sq m = 4,521,213.85 sq m)	118.2.2.2581.3764	99,394,898		-1.058	99,393,840
IAS 29 - Lands] [Otopeni] [Land/Eforie Sud - Area = 962.77 sq m	118.2.22581.3766	20,053			20,053
IAS 29 - Lands] [Otopeni] [Land/Otopeni - Sale/Purchase Agreement no. 434/28.03.2000, Area = 47,700 sq m (following the 2017 inventory – 47,735 sq m)	118.2.2.258.13763	294,797			294,797
IAS 29 - Lands] [Otopeni] [Land/Otopeni - GD 834/1991; MO 9-0684/15.01.1999, Area = 47,774.74 sq m	118.2.2.2581.3762	455,653			455,655
IAS 29 - Lands] [Otopeni] [Land/Otopeni/(Shell) - Sale/Purchase Agreement no. 1146/27.05.1996, Area = 5000 sq m	118.2.2.2581.3761	36,998			36,998
IAS 29 - Lands] [Otopeni] [Land/Otopeni/(Shell) - Sale/Purchase Agreement no. 1177/29.04.1996, Area = 5000 sq m	118.2.2.2581.3760	37,048			37,048

IAS 29 – Tangible assets	118.2.3	40,829,539	3,530,193		37,299,346
Balance carried forward on the first adoption of IAS 29 – Financial fixed assets DNATA CATERING S.R.L.	118.3.1100167	5,784			5,784
TOTAL		76,796,989	3,530,193	-1,056	73,265,740

11. Reconciliation of comprehensive income

11.1 Reconciliation of comprehensive income as at 31.12.2015 (first adoption of IFRS)

YEAR 2015	Romanian accounting standards	Adjustments	IFRS
OPERATING INCOME			
Net turnover, of which:	729,928,160	-100,085,286	629,842,874
- Income from rendering services and other similar income	616,050,790	10,942,389	626,993,179
- Income from sales of merchandises	113,877,370	-111,027,675	2,849,695
Income related to costs with stocks of products	-332	0	-332
Income from subsidies	15,525,789	15,476	15,541,265
Other operating income	10,156,571	-7,683,967	2,472,604
TOTAL OPERATING INCOME	755,610,188	-107,753,777	647,856,411
OPERATING EXPENSES			
Expenses with raw materials and consumables	99,000,144	-80,711,813	18,288,331
Staff expenditure	139,645,072	-14,403,048	125,242,024
Value adjustments related to assets	119,348,516	-176,157	119,172,359
Other operating expenses	177,477,648	-9,068,554	168,409,094
Adjustments for provisions	6,672,883	0	6,672,883
TOTAL OPERATING EXPENSES	542,144,263	-104,59,572	437,784,691
OPERATING PPROFIT	213,465,925	-3,394,205	210,071,720
Financial income	27,813,280	-733,885	27,079,395
Financial expenses	27,149,873	-2,576,964	24,572,909
Financial profit	663,407	1,843,079	2,506,486
Profit before tax	214,129,332	-1,551,126	212,578,206
Expenses with the current corporate income tax	35,346,032	0	35,346,032
Income from deferred corporate tax	0	2,690,193	2,690,193
Fiscal year profit	178,783,300	1,139,067	179,922,367
Average number of shares	14,377,215	0	14,377,215
Earnings per share	12.4352	+0.0793	12.5145

The results of restating, pursuant to IFRS, the information in the accounting records organised based on the *Accounting regulations concerning annual individual financial statements and consolidated financial statements, approved as per OMFP no.1802/2014*, as subsequently amended and supplemented, are presented in **Annex 1 – the year 2015**, drawn up using the model in Annex no. 2 to OMFP nr. 2844/2016 on the approval of the Accounting regulations aligned to the International Financial Reporting Standards.

This statement reflects, for each item in the balance sheet and in the profit and loss account, the differences between the accounting treatment according to the Accounting regulations on annual individual financial statements and consolidated financial statements, approved as per Order no.1802/2014 of the Minister of Public Finance, and the treatment stipulated by the Accounting regulations compliant with the International Financial Reporting Standards, approved as per OMFP nr. 2844/2016, as subsequently amended and supplemented, **for the year 2015**.

11.2 Reconciliation of comprehensive income as at 31.12.2016

YEAR 2016	Romanian accounting standards	Adjustments	IFRS
OPERATING INCOME			
Net turnover, of which:	861,325,943	-120,356,915	740,969,028
- Income from rendering services and other similar income	718,281,637	20,203,929	738,485,566
- Income from sales of merchandises	143,044,306	-140,560,844	2,483,462
Income related to costs with stocks of products	-5,225	0	-5,225
Income from subsidies	12,170,300	12,121	12,182,421
Other operating income	8,794,584	-7,277,216	1,517,368
TOTAL OPERATING INCOME	882,285,602	-127,622,010	754,663,592
OPERATING EXPENSES			
Expenses with raw materials and consumables	119,628,422	-96,868,935	22,759,487
Staff expenditure	179,773,939	-17,398,830	162,375,109
Value adjustments related to assets	111,622,932	9,531,137	121,154,069
Other operating expenses	187,778,931	-9,920,193	177,858,738
Adjustments for provisions	6,883,391	0	6,883,391
TOTAL OPERATING EXPENSES	605,687,615	-114,656,821	491,030,794
OPERATING PPROFIT	276,597,987	-12,965,189	263,632,798
Financial income	27,989,803	1,452,524	29,442,327
Financial expenses	24,584,414	562,997	25,147,411
Financial profit	3,405,389	889,527	4,294,916
Profit before tax	280,003,376	-12,075,662	267,927,714
Expenses with the current corporate income tax	45,466,950	0	45,466,950
Income from deferred corporate tax	0	2,239,532	2,239,532
Fiscal year profit	234,536,426	-9,836,130	224,700,296
Average number of shares	14,377,215	0	14,377,215
Earnings per share	16.3131	-0.6841	15.629

The results of restating, pursuant to IFRS, the information in the accounting records organised based on the *Accounting regulations concerning annual individual financial statements and consolidated financial statements, approved as per OMFP no.1802/2014*, as subsequently amended and supplemented, are presented in **Annex 1 – the year 2016**, drawn up using the model in Annex no. 2 to OMFP nr. 2844/2016 on the approval of the Accounting regulations aligned to the International Financial Reporting Standards.

This statement reflects, for each item in the balance sheet and in the profit and loss account, the differences between the accounting treatment according to the Accounting regulations on annual individual financial statements and consolidated financial statements, approved as per Order no.1802/2014 of the Minister of Public Finance, and the treatment stipulated by the Accounting regulations compliant with the International Financial Reporting Standards, approved as per OMFP nr. 2844/2016, as subsequently amended and supplemented, **for the year 2016**.

11.3 Reconciliation of comprehensive income as at 31.12.2017

YEAR 2016	Romanian accounting standards	Adjustments	IFRS
OPERATING INCOME			
Net turnover, of which:	1,029,707,943	-154,487,141	875,220,802
- Income from rendering services and other similar income	839,308,360	33,825,589	873,133,949
- Income from sales of merchandises	190,399,583	-188,312,730	2,086,853
Income related to costs with stocks of products	6,902	0	6,902
Income from subsidies	12,626,859	-25,085	12,601,774
Other operating income	10,491,248	-7,904,426	2,586,822
TOTAL OPERATING INCOME	1,052,819,148	-162,416,652	890,402,496
OPERATING EXPENSES			
Expenses with raw materials and consumables	151,607,119	-124,075,047	27,532,072
Staff expenditure	211,115,169	-22,978,322	188,136,847
Value adjustments related to assets	108,929,004	50,628,757	159,557,761
Other operating expenses	203,306,576	-10,158,382	193,148,194
Adjustments for provisions	-15,524,218	0	-15,524,218
TOTAL OPERATING EXPENSES	659,433,650	-106,582,994	552,850,656
OPERATING PPROFIT	393,385,498	-55,833,658	337,551,840
Financial income	23,727,794	-187,955	23,539,839
Financial expenses	18,665,312	-775,190	17,890,122
Financial profit	5,062,482	587,235	5,649,717
Profit before tax	398,447,980	-55,246,423	343,201,557
Expenses with the current corporate income tax	60,893,650	0	60,893,650
Income from deferred corporate tax	0	8,377,131	8,377,131
Fiscal year profit	337,554,330	-46,869,292	290,685,038
Average number of shares	14.377,215		14,377,215
Earnings per share	23.4784	-3.2600	20.2185

The results of restating, pursuant to IFRS, the information in the accounting records organised based on the *Accounting regulations concerning annual individual financial statements and consolidated financial statements, approved as per OMFP no.1802/2014*, as subsequently amended and supplemented, are presented in **Annex 1 – the year 2017**, drawn up using the model in Annex no. 2 to OMFP nr. 2844/2016 on the approval of the Accounting regulations aligned to the International Financial Reporting Standards.

This statement reflects, for each item in the balance sheet and in the profit and loss account, the differences between the accounting treatment according to the Accounting regulations on annual individual financial statements and consolidated financial statements, approved as per Order no.1802/2014 of the Minister of Public Finance, and the treatment stipulated by the Accounting regulations compliant with the International Financial Reporting Standards, approved as per OMFP nr. 2844/2016, as subsequently amended and supplemented, **for the year 2017**.

Explanatory note no. 12 – Revenues

IAS 18 apply in the accounting of revenues generated from the following transactions and events:

- (a) the sale of goods;
- (b) the provision of services; and
- (c) the use by third parties of the entity's assets that generate interest, royalties and dividends.

Revenues are increases of economic benefits recorded throughout the accounting period, in the form of receipts or increases of assets or decreases of liabilities, which materialise as shareholders' equity increases, different from those resulted from shareholders' contributions.

Revenues are acknowledged in the profit and loss account when it is possible to credibly evaluate an increase of future economic benefits in relation to the value increase of an asset or the value decrease of a liability. The acknowledgement of revenues is performed concurrently with acknowledging the asset increase or liability decrease (for example, the net increase of assets resulted from the sale of goods or services, or a decrease of liabilities following the cancellation of a debt).

The category of revenues includes both the amounts or the values received, or to be received, on somebody's own account, from ongoing activities, and earnings from any other sources.

Ongoing activities are any activities carried out by the Company, as an integral part of its scope of business, as well as activities related to them.

The accounting records of revenues are held by revenue type, according to their nature, as follows:

- a) operating income; and
- b) financial income.

The operating income of CNAB SA comprises:

- a) Revenues from services rendered;
- b) Revenues from leases;
- c) Revenues from the sale of goods;
- d) Revenues from sundry activities;
- e) Revenues from the sale of residual products;
- d) Other operating income.

Turnover represents the amounts resulted from the sale of products and the provision of services falling under the Company's current activity, after the deduction of commercial discounts and the value added tax, as well as of other duties directly related to turnover.

The **financial income** of CNAB SA comprises:

- a) Income from equity interests;
- b) Interest income;
- c) Other financial income.

In terms of structure, the revenues achieved in 2018, when compared with 2017 and 2016, are reported as follows:

Income	31.12.2018	31.12.2017	31.12.2016
Net turnover, of which:	972,932,742	875,220,802	740,969,028
- Revenues from provisions of services and other similar revenues	970,913,673	873,133,949	738,485,566
- Revenues from the sale of goods	2,019,069	2,086,853	2,483,462
Income related to costs of stocks of products (D)	-33,364	6,902	5,225
Income from subsidies	15,725,399	12,601,774	12,182,421
Other operating income	3,869,479	2,586,822	1,517,368
TOTAL OPERATING INCOME	992,560,984	890,402,496	754,663,592
Financial income	13,243,533	23,539,839	29,442,327
Income from deferred corporate tax	7,311,414	8,377,131	2,239,532
TOTAL INCOME	1,013,115,931	922,319,466	786,345,451

Explanatory note no. 13 – Expenses

Expenses are decreases of economic benefits recorded throughout the accounting period, in the form of releases or decreases of the value of assets or increases of liabilities, which materialise as shareholders' equity decreases, different from those resulted from distributing them to the shareholders.

Expenses are acknowledged in the profit and loss account when it is possible to credibly evaluate a decrease of future economic benefits in relation to the value decrease of an asset or the value increase of a liability. The acknowledgement of expenses is performed concurrently with acknowledging the value increase of liabilities or the value decrease of assets (for example, accrued salary entitlements or equipment depreciation).

The Company's expenses are the amounts paid or to be paid for consumptions of stocks and services rendered, which it benefits from, as staff expenditure and in order to fulfil legal or contractual obligations etc.

The accounting records of expenses are held by expense type, according to their nature, as follows:

a) operating expenses, which comprise:

- expenses with consumables; the purchase cost of consumed inventory items; the purchase cost of materials not in inventory, directly entered under expenses; the equivalent value of the energy and water consumption; the value of biological assets identified as stocks; the cost of sold goods and packaging;
- expenses with third-party services, royalties, leases and rentals; insurance premiums; study and research; expenses with other third-party services (collaborators); commissions and fees; hospitality, promotion and advertising expenses; cargo and passenger transportation; trips, deployments and transfers; postage and telecommunications costs, banking services and others;
- staff expenditure (salaries, social security and welfare and other staff-related costs borne by the entity);
- other operating expenses (environmental protection expenses, pertaining to the period; losses from receivables and sundry debtors; indemnifications, fines and penalties; donations, sponsorships and other similar expenses; expenses with assets disposed of and other capital transactions; receivables time-barred according to the law; greenhouse gas emission certifications purchased in line with the legislation in force and the costs of which can be determined, pertaining to the current period, etc.); and

b) financial expenses, which comprise: losses from receivables related to participations; expenses with financial investments disposed of; unfavourable foreign exchange differences; interests concerning the ongoing fiscal year; discounts granted to customers, losses from financial claims and others.

In 2018, when compared with 2017 and 2016, the statement of company expenses appears as follows:

EXPENSE	31.12.2018	31.12.2017	31.12.2016
Expenses with raw materials, consumables, other expenses with materials, goods, energy and water	40,273,162	27,532,072	22,759,487
Staff expenditure	210,625,944	188,136,847	162,375,109
Value adjustments related to assets	109,641,737	159,557,761	121,154,069
Other operating expenses	178,909,240	193,148,194	177,858,738
Adjustments for provisions	7,209,844	-15,524,218	6,883,391
TOTAL OPERATING EXPENSES	546,659,927	552,850,656	491,030,794
Financial expenses	19,378,138	17,890,122	25,147,411
Expenses with the current corporate income tax	75,255,473	60,893,650	45,466,950
TOTAL EXPENSES	641,293,538	631,634,428	561,645,155

Explanatory note no. 14 – Analysis of the main economic and financial indicators

Liquidity indicators	2017	2018
1. General liquidity = Current assets / Current liabilities	3.45	3.41
	416,894,011 / 120,920,762	431,081,325 / 126,496,124
2. Immediate liquidity = (Current assets - Stocks) / Current liabilities	3.34	3.26
	403,359,887 / 120,920,762	411,836,773 / 126,496,124
3. Global solvency ratio = Total assets / Total liabilities	8.03	8.29
	4,516,086,336 / 362,458,052	4,568,491,557 / 378,852,233

Financial balance rates	2017	2018
1. Fixed asset financing rate = Permanent capital / Fixed assets	1.07	1.07
	4,395,165,574 / 4,098,629,702	4,441,995,433 / 4,136,095,198
2. Current asset financing rate = Net working capital x 100 / Current assets	70.99	70.65
	295,973,250 * 100 / 416,894,011	304,585,201 * 100 / 431,081,325
3. Financial autonomy rate = Equity / Permanent capital	0.93	0.93
	4,084,401,247 / 4,395,165,574	4,113,198,967 / 4,441,995,433

Activity indicators	2017	2018
1. Receivable collection period = Trade receivable average balance * 365 / Turnover	29.58	30.81
	70,936,711 * 365 / 875,220,802	82,128,243 * 365 / 972,932,742
2. Debt repayment period = Trade payable average balance * 365 / Turnover	10.04	9.86
	24,080,097 * 365 / 875,220,802	26,272,795 * 365 / 972,932,742
3. Fixed asset turnover = Turnover / Fixed assets	0.21	0.24
	875,220,802 / 4,098,629,702	972,932,742 / 4,136,095,198
4. Total asset turnover = Turnover / Total assets	0.19	0.21
	875,220,802 / 4,516,086,335	972,932,742 / 4,568,491,557

Profitability indicators	2017	2018
1. Income rate of return = (Net profit / Total income) * 100	31.81	36.97
	290,685,038/913,942,335*100	371,822,393/1,005,804,517 *100
2. Financial rate of return = (Net profit / Equity) * 100	7.12	9.03
	290,685,038/4,084,401,247*100	371,822,393/4,113,198,967*100
3. Economic rate of return = (Net profit / Permanent capital) * 100	6.61	8.37
	290,685,038 / 4,395,165,574 * 100	371,822,393/4,441,995,433 *100
4. Rate of return of total assets = (Net profit / Total assets) * 100	6.44	8.14
	290,685,038/4,516,086,335 * 100	371,822,393 /4,568,491,557 *100
5. Gross operating margin = Operating profit/loss *100 / Turnover	38.57	45.83
	337,551,840/875,220,802* 100	445,901,057/972,932,742 *100

Rate of debt indicators	2017	2018
1. Rate of debt indicator - Borrowed capital x 100/ Equity	N/A	N/A
	N/A	N/A
2. Interest coverage indicator = Profit before interest and the corporate income tax / Interest expenses	200.94	N/A
	344,918,057/1,716,500	N/A
3. Overall rate of debt = (Total liabilities/Total assets)*100	8.03	8.29
	362,458,052/4,516,086,335*100	378,852,233/4,516,086,335*100

Working capital analysis	2017	2018
1. Net or permanent working capital (F.R.F.) = Current assets + Deferred expenses – Debts payable within one year – Deferred income (amounts to be carried over < 1 year)	296,533,128	305,900,193
2. Own working capital (F.R.P.) = Equity – Fixed assets	-14,228,456	-22,896,231
3. Borrowed working capital (F.R.I.) = F.R.F. – F.R.P.	310,761,584	328,796,424

Analysis of the need for working capital	2017	2018
1. Current assets	417,456,633	432,396,359
2. Cash	255,451,252	270,072,426
3. Short-term liabilities minus the amounts due to credit institutions in the short run	120,920,762	126,496,124
4. N.F.R. (<i>need for working capital</i>) (1-2-3)	41,084,619	35,827,809
5. F.R.N (<i>net working capital</i>)	296,535,871	305,900,235
6. T.N. (<i>net treasury</i>) (F.R.N. – N.F.R.) (5-4)	255,451,252	270,072,426

Explanatory note no. 15 – Events occurred subsequent to the balance sheet date

According to **IAS 10** – the events subsequent to the balance sheet date are both those favourable and those unfavourable events that take place between the balance sheet date and the date when the financial statements are authorised for publication.

Two types of events subsequent to the balance sheet date are identified, as follows:

- those which substantiate the existence of certain conditions / circumstances as at the balance sheet date (events subsequent to the balance sheet date, which require adjustments);
- those which indicate circumstances that occurred subsequent to the balance sheet date (events subsequent to the balance sheet date, which do not require adjustments).

No events were identified subsequent to the balance sheet date and until its approval.

pp. CHIEF FINANCIAL OFFICER
Signature: [illegible]

pp. HEAD OF THE ACCOUNTING SERVICE
Signature: [illegible]