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INDEPENDENT AUDITOR'S REPORT

To the Shareholders,
C.N. Aeroporturi București S.A

Report on the audit of financial statements

Qualified opinion

1. We have audited the financial statements of **C.N Aeroporturi București S.A. ("the Company")** - having its registered office Ilfov county, Otopeni city, 224E Calea Bucureștilor str., identified by sole tax reference number RO 26490194, which comprise the statement of financial position as at December 31, 2019, the comprehensive income statement, the statement of changes in own equity and the statement of cash flows for the fiscal year then ended, as well as a summary of the accounting policies and other explanatory notes.

2. The financial statements as at December 31, 2019 appear as follows:

- Net assets/Total shareholders' equity: 4,746,598,009 Lei
- Fiscal year net profit: 359,617,321 Lei

3. In our opinion, with the exception of the effects (par. 6) and the possible effects (par. 4 - 6) of the issues presented in the *Grounds for the qualified opinion* section of our report, the accompanying financial statements give a true view, in all material respects, of the Company's financial standing as at December 31, 2019, and its financial performance and cash flows pertaining to the fiscal year then ended, in accordance with Order of the Minister of Public Finance no. 2844/2016 on the approval of the Accounting regulations aligned to the International Financial Reporting Standards ("OMFP 2844/2016").

Grounds for the qualified opinion

4. During the 2000 – 2001 interval, the Company received among its assets, for no consideration, several lands the value of which was established to be, as at the date of receipt, 52 mil. Lei. The lands were received for the purpose of subsequently increasing the share capital by way of a contribution in kind. On November 6, 2018, a GSA Decision was issued on increasing the company's capital with these lands, however, for the amount of 269 million Lei. This decision was not put into practice. In 2019, a new GSA decision was issued, in which a request was made to prepare a new valuation of the respective lands in order to boost the share capital. By the issuance date of the accompanying financial statements, the procedure of increasing the share capital via a contribution in kind with these lands had not been completed. Between the time of their receipt among the assets and December 31, 2019, the lands went through consecutive revaluations, which led to a growth in their value by an amount of 2,717 million Lei. The counterpart chosen to reflect in the financial statements the said lands, including the outcome of revaluations, was the "Reserves" balance sheet item. Considering the significant value changes occurred between the date of receipt and the issuance date of the accompanying financial statements, as well the fact that the share capital increase procedures were not put into practice, both as at December 31, 2019 and as at December 31, 2018, we were not able to determine the effect, upon the financial statements, of keeping these lands under an uncertain status as far as their nature is concerned, nor the manner in which the revaluations carried out since the date of their receipt should have been reflected in the financial statements.

5. As presented in Note 7.1 *Provisions*, the Company is involved in a series of significant litigations with various suppliers. In relation to these litigations, the Company reported as at December 31, 2019 provisions amounting to 63 million Lei (2018: 38.5 million Lei). Considering the specificities of the legal system in Romania, often characterised by contradictory decisions and very long litigation settlement timeframes, we were not provided, as at the issuance date of the accompanying financial statements, with sufficient information to be able to estimate the outcome of the ongoing litigations and the possible impact upon the financial statements as at December 31, 2019 and December 31, 2018.

6. As at December 31, 2019 and December 31, 2018, the Company reported, in the accompanying Statement of financial position, shares held in unlisted trading companies (different from those reported using the equity method), shares amounting, as measured at cost, to 35 million Lei. These stocks were subject to value adjustments amounting to 33 million Lei. According to the reporting framework, the held shares are stated in the financial statements at their fair value. We were not provided with sufficient and adequate information to be able to identify these adjustments required in order to report the held shares at their fair value.

7. In the financial statements drawn up as at December 31, 2018, the Company did not report a current deferred tax on the temporary differences between the tax base and the accounting reporting basis, amounting to 12.4 million lei. On December 31, 2019, the Company made the necessary corrections by altering the comprehensive income status of the ongoing year, and not by restating the financial statements as at December 31, 2018. As such, as at December 31, 2019, the comprehensive income of the current year is increased by an amount of 12.4 million Lei, whereas the balance carried forward is diminished by the same amount.

8. We have carried out our audit in accordance with the International Standards on Auditing (“ISA”), EU Regulation no. 537 of the European Parliament and of the Council (hereafter “the Regulation”) and Law no. 162/2017 (“the Law”). Our responsibilities pursuant to these standards are described in detail in the “*The auditor’s duties in a financial statement audit*” section in our report. We are independent from the Company, in line with the Code of Ethics for Professional Accountants, issued by the International Ethics Standards Board for Accountants (the IESBA Code), in line with the ethical requirements which are relevant to the auditing of financial statements in Romania, including the Regulation and the Law, and we have fulfilled our ethical duties in line with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and adequate in providing a basis for our qualified opinion.

Highlighting certain aspects

As presented in Note 13 *Events subsequent to the balance sheet date*, the COVID-19 pandemic entails additional challenges and risks for the Company’s operations. The fear of the virus and the emergency measures taken by the affected states in order to reduce its spread will increasingly strain the economic environment. The Company has already undertaken specific steps intended to safeguard the health and safety of its employees. In addition to the human risk, the pandemic also brings along an economic risk for the Company’s future operations. Our opinion does not contain any reservation in regard to the above-mentioned aspects.

Key audit aspects

9. The key audit aspects are the aspects which, based on our professional judgement, had the greatest significance in the audit of the financial statements for the current period. These aspects were tackled in the context of the audit of financial statements overall, and in formulating our opinion on them, and we do not provide a separate opinion in relation to these key aspects.

Key audit aspect

Tackling method as part of the audit:

a) Acknowledgment of revenues

See Note 3.25 “Accounting policies - Acknowledgment of income” and Note 10 “Revenues”

Our audit procedures included, among others:

The income acknowledgment policy is presented in Note 3.25. The turnover comprises revenues from airport services, revenues from leases (either directly or by means of partnership agreements) and provisions of services pertaining to airport activities (e.g., Business Class Lounge, parking services).

In accordance with ISA, there is an implied risk in acknowledging revenues, caused by the pressure the management might feel in their efforts to obtain the planned results.

The Company's revenues from airport services are acknowledged for each month based on the air traffic data submitted by the airlines and handling companies. The other revenue categories covered by the turnover are acknowledged on the service provision date or on a monthly basis, based on the concluded lease contracts.

b) Benefits granted to salaried employees

Also see Note 7.2 "Employee benefits IAS 19"

According to the collective labour agreement, the Company grants its employees retirement benefits equal to a number of employee salaries. The number of these salaries depends on the length of service within the company.

The costs of these benefits are estimated using the "projected unit credit method" actuarial technique, and any actuarial gains or losses are acknowledged in the profit and loss account as they occur.

Other aspects

10. The Company's financial statements for the fiscal year pertaining to the previous year were audited by a different auditor, who expressed on April 16, 2019 a qualified opinion in regard to effect upon the financial statements of capital increases the amount of which is lower than the one in the accounting records.

11. On the whole, this report of the independent auditor is exclusively intended for the Company shareholders. Our audit has been carried out so as to make it possible to report to the Company shareholders those aspects that are to be reported in a financial audit report, and not for other purposes. To the extent permitted by the law, we only accept and take responsibility in relation to the Company and its shareholders, overall, for our audit, for this report or for the formulated opinion.

Other information - the Administrators' report

- assessing the revenue acknowledgement principles in accordance with the provisions of IFRS;
- testing the control and the processes implemented in relation to acknowledging in the accounting records the revenues from service provisions and leases, in order to obtain necessary assurances as to the existence, completeness and accuracy of the revenues reported in the financial statements;
- carrying out substantive procedures in order to obtain necessary assurances as to the existence, completeness and accuracy of the reported revenues, as well as to the reporting of revenues during the correct period;
- testing the balances of trade receivables as at December 31, 2019, by way of submitting direct confirmation letters;

Our audit procedures included, among others:

- A collective labour agreement review aimed at identifying the benefits granted;
- A review of the actuarial assessment report employed by the Company. This review also included checking the qualifications and credentials of the external expert used by the company management;
- Checking whether the assessment results are properly reflected in the financial statements.

12. The administrators shall be responsible for drawing up and presenting other information. This extra information comprises the Administrators' report, which also includes the non-financial statement while not including the financial statements and the auditor's report on these statements.

Our opinion concerning the financial statements does not cover this extra information, as well, and, unless it is expressly mentioned in our report, we do not express any sort of assurance conclusion in relation to it.

In regard to the audit of financial statements for the fiscal year ended on December 31, 2019, our duty is to read the extra information and, in the process, determine whether that extra information is significantly inconsistent with the financial statements or the knowledge we have acquired throughout the audit or appears to be materially misstated.

As far as the Administrators' report is concerned, we have read and are reporting whether it has been drawn up, in all material respects, in accordance with all the information provided at items 15-19 in OMFP 2844/2016.

Based exclusively on the activities that have to be carried out during the auditing of financial statements, in our opinion:

- a) The information presented in the Administrators' report, for the fiscal year in relation to which the financial statements were drawn up, is in all material respects in accordance with the financial statements;
- b) The Administrators' report was drawn up, in all material respects, in accordance with the information required at items 15-19 in OMFP 2844/2016.

Furthermore, based on our knowledge and understanding of the Company and its environment, gained during the audit of financial statements for the fiscal year ended on December 31, 2019, we are requested to report whether we have identified material misstatements in the Administrators' report. We have nothing to report in that respect.

The responsibility of the management and the persons in charge with governance for the financial statements

13. The management is responsible for drawing up and presenting, in a true and accurate manner, the financial statements in line with OMFP 2844/2016 and for that internal control which the management deems necessary to allow drawing up financial statements free of any material misstatements, caused either through fraud or error.

14. In drawing up the financial statements, the management is responsible for estimating the Company's capacity to continue its activity by presenting, where necessary, the aspects pertaining to business continuity and using the business continuity principle as an accounting basis, except for cases where the management either intends to wind the Company up or shut down operations, or has no realistic alternative beyond the former.

15. The persons in charge with governance are responsible for supervising the Company's financial reporting process.

The auditor's responsibility during an audit of financial statements

16. Our objectives consisted in obtaining reasonable assurances concerning the extent to which the financial statements, on the whole, are free of material misstatements, caused either through fraud or error, as well as in issuing an auditor's report that would include our opinion. Reasonable assurances indicate a high level of assurance, however, without guaranteeing the fact that an audit carried out in compliance with the ISAs will always detect a material misstatement, if any. Misstatements can be caused by fraud or by error and are deemed significant if one can reasonably forecast that they will individually or cumulatively influence the users' economic decisions made based on these financial statements.

17. As part of an audit compliant with the audit standards adopted by the Chamber of Financial Auditors of Romania, which rely on the International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. Furthermore, we:

- a) Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures in reply to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- c) Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- d) Formulate a conclusion on the appropriateness of management's use of accounting based on business continuity and, based on the audit evidence obtained, determine whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue its activity. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of auditors' report. However, future events or conditions may cause the Company to cease conducting business based on the business continuity principle;
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements reflect the underlying transactions and events in a manner that achieves fair presentation.

18. We communicate to those charged with governance regarding, among other matters, the planned scope and timing of the audit, as well as significant audit findings, including any deficiencies in internal control that we identify during our audit.

19. In addition, we provide to those in charge with governance an affidavit according to which we have complied with the relevant ethical requirements on independence and have mentioned to them all the relations and other aspects that one would reasonably presume affect our independence and, where necessary, the related protection measures.

20. Among the aspects we have mentioned to those in charge with governance, we underline those aspects with greater significance, throughout the audit, for the financial statements of the current period and operate, therefore, as key audit aspects. We describe these aspects in our audit report, save for the case where the legislation or the regulations prevent the public disclosure of the respective aspect or the extremely rare case where we believe that a particular aspect should not be stated in our report as it can reasonably be estimated that the benefits to the public interest will be outweighed by the negative outcome of such disclosure.

Report concerning other legal and regulatory provisions

21. We were appointed by the Shareholders' General Assembly, as per decision no. 1 from 20.01.2020, to audit the financial statements of **C.N. Aeroporturi București S.A.** for the 2019 – 2021 fiscal years. The total uninterrupted duration of our engagement is 1 year, covering the fiscal year ended on 31.12.2019.

We acknowledge that:

- Our audit opinion is in line with the additional report presented to the Company's Audit Committee, which we issued on the same date as this report. Furthermore, in conducting our audit, we remained independent from the audited entity;

- We have not rendered for the Company any of the forbidden non-auditing services, mentioned by article 5 paragraph (1) in EU Regulation no. 537/2014.

On behalf of BDO Audit S.R.L.

Registered in in the Electronic Public Register of financial auditors and audit companies under no. FA18

Name of the partner: Răzvan Cocei

Registered in in the Electronic Public Register of financial auditors and audit companies under no. AF2568

Stamp: [Authority for the Public Supervision of the Statutory Audit Activity (ASPAAS)]
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Signature: [illegible]

Bucharest, Romania

June 12, 2020