

**To be presented for favourable endorsement
during the Management Board meeting from**

**To be presented for approval
during the SGA meeting from**

**George – Dumitru DOROBANȚU
General Manager**

**CNAB SA ADMINISTRATORS' REPORT
on the financial statements as at December 31, 2021
drawn up pursuant to the provisions of Order of the Minister of Public Finance
(OMFP) no. 2844/ 2016**

A. STATEMENT ON FINANCIAL MATTERS (OMFP 2844/2016)

I. COMPANY ADMINISTRATION

C.N. Aeroporturi București S.A., set up as a joint-stock company, operates as a Romanian legal entity, with its headquarters at 224E Calea Bucureștilor str., Otopeni, Ilfov County. The Company was constituted pursuant to GD no. 1208/07.10.2009 by means of a merger between National Company “Aeroportul International Henri Coandă – București” S.A. and National Company “Aeroportul International București Băneasa – Aurel Vlaicu” S.A.

National Company “Aeroporturi București” S.A. (CNAB) has, as its main scope of business, the rendering of deliverables and services, the performance of operating, management, maintenance, repair, development and upgrading works on the items among its assets, items which it either owns or leases, in order to ensure the proper safety and security conditions required for the arrival, departure and on-the-ground handling of aircraft engaged in national and/or international air traffic, the provision of airport services for the transfer of persons, cargo and mail, as well as national public interest services.

National Company “Aeroporturi București” S.A. (CNAB) is a joint-stock majority state-owned trading company, organised and operating based on economic management and in accordance with its articles of incorporation. The amount of the share capital subscribed and paid, as at December 31, 2021, was 143,772,150 lei, representing 14,377,215 shares. All the shares are ordinary, were subscribed and paid-up as at December 31, 2021. All the shares are accompanied by the same voting right and have a nominal value of 10 lei/share.

The shareholding structure as at December 31, 2020 appears as follows:

	Number of shares	Amount	Percentage
		(lei)	(%)
Ministry of Transportation	11,501,772	115.017.720	80
Fondul Proprietatea	<u>2,875,443</u>	<u>28.754.430</u>	<u>20</u>
Total	<u>14,372,215</u>	<u>143.772.150</u>	<u>100</u>

Within CNAB, Bucharest - Henri Coandă International Airport (AIHCB) and Bucharest Băneasa - Aurel Vlaicu International Airport (AIBB) operate as places of business. During the year 2020, the company leadership was secured as follows:

- DIMITRESCU FLORIN – General Manager – 01.01.2021 - 31.01.2021, appointed pursuant to MB (Management Board) Decisions no. 12/24.11.2020, 1/26.01.2021, 2/29.01.2021;
- PEȘTEȘEAN COSMIN CĂTĂLIN – General Manager – 01.02.2021 - 13.10.2021, appointed pursuant to MB Decisions no. 2/29.01.2021, 10/25.05.2021, 14/21.07.2021 and 19/13.10.2021;
- DOROBANȚU GEORGE DUMITRU – General Manager – 13.10.2021 - 31.12.2021, appointed pursuant to MB Decision no. 19/13.10.2021.

At the end of the 2021 fiscal year, the Management Board comprised 7 members. In 2021, the administrators' activity was particularly focused on the following aspects:

- Securing the continuity of operations under safe conditions, aiming to decrease the losses caused by the COVID-19 pandemic
- Managing effectively the company's assets and liabilities and lowering the risks generated by a decrease of monetary resources against the pandemic background
- Executing the income and expenditure budget
- Promoting a commercial policy that seeks to retain current contractual relations
- Modern, cautious and high-performing management

As at 01.01.2021, the membership of CNAB Management Board, appointed pursuant to SGOA (*Shareholders' General Ordinary Assembly*) Decisions no. 10/09.10.2020, 11/02.11.2020 and 15/22.12.2020, was the following:

1. RAICU MIRCEA
2. FLORESCU ADRIAN
3. PEȘTEȘEAN COSMIN CĂTĂLIN
4. PLĂIAȘU GABRIEL
5. MIHALȚAN COSMIN
6. DIACONU CĂTĂLIN
7. NEDELICU CORVIN.

As at 31.12.2021, the membership of CNAB Management Board, appointed pursuant to SGOA Decisions no. 13/30.06.2021 and 14/25.10.2021, was the following:

1. DIMITRESCU FLORIN
2. MIHALȚAN COSMIN
3. DOBRE RĂZVAN ROBERT
4. BUMBAC GEORGETA

5. IACOBUS DORU MARIUS
6. RAICU MIRCEA
7. DIACONU CĂTĂLIN.

II. GENERAL INFORMATION REGARDING THE ECONOMIC ENVIRONMENT IN 2021

The Gross Domestic Product achieved in Romania in 2020 showed a decrease – in real figures – by 3.9% compared with 2019, according to the data provided by the National Institute of Statistics. The monthly average inflation rate in 2020 was 2.6 %.

The monthly consumer-price index was, in December 2021, as opposed to December 2020, as follows:

Ongoing period	Reference period	TOTAL CPI (%)	Food commodities CPI (%)	Non-food commodities CPI (%)	Services CPI (%)
December 2021	December 2020	108.19	106.69	110.73	104.49

The average exchange rate for 2020 was 4.8371 Lei/Euro and 4.2440 Lei/USD, respectively, and 4.7452 Lei/Euro and 4.2379 Lei/USD, respectively for 2019. As opposed to 2019, the Leu showed an upward trend of -1,93% in relation to the EURO and of -0.14% in relation to the USD.

III. COMPANY ACTIVITY IN 2021

III.1 AIRPORT DEVELOPMENT

A. Strategic Program for Airport Infrastructure Development at AIHCB

The Strategic Program for Airport Infrastructure Development at AIHCB was defined and approved pursuant to Romanian Government Ordinance no. 64/1999, approved with amendments and additions by Law 220/2002, as subsequently amended and supplemented.

The main objectives of the Program are:

- the development of land transportation infrastructures in order to secure access across the eastern area of Bucharest - Henri Coandă International Airport;
- the development of the airport infrastructure required to process passenger traffic by means of building a new terminal and the necessary system of airstrips and platforms;
- the development of the airport infrastructure required to process freight and mail traffic by means of building a multimodal freight platform;
- the construction of a high-tech technology park for the development of activities related to air transportation.

Current status (according to GOG64/1999 timescale):

- **Stage I** - Approval of the Zoning Urban Plan — **implemented;**

- **Stage II** - Development of the activities precursory to the Strategic Program for Airport Infrastructure Development:
 - **Stage II.1** - Drawing up and approval of the feasibility studies – **implemented as per GD 655/29.08.2018** (approval of the technical and economic indicators for the “Strategic Program for Airport Infrastructure Development at Bucharest - Henri Coandă International Airport” investment objective of national interest and public utility);
 - **Stage II.2** - Drawing up and approval of the technical and economic documentations for the approved feasibility studies – **implemented as per GD 799/2019** on commencing the land expropriation procedures for the real estate units under civilian property, which constitute the expropriation path spanning across the location of the public utility work of national interest regarding the “Strategic Program for Airport Infrastructure Development at Bucharest - Henri Coandă International Airport” investment objective;
 - **Stage II.3** – **implemented** – “The purchase of the lands required to implement the approved investment objective and their removal from agricultural use, as the case may be”.

2021 endeavours:

1. Land expropriation (Stage II.3)

In order to implement Government Decision no. 799/2019, CNAB is carrying out the land expropriation process for the real estate units under civilian property, which constitute the expropriation path spanning across the location of the public utility work of national interest regarding the “Strategic Program for Airport Infrastructure Development at Bucharest - Henri Coandă International Airport” investment objective.

The process is taking place in compliance with Law no. 255/2010 on expropriation for public utility purposes. From a legal standpoint, stage II.3 can be considered complete, following the transfer to the Romanian state, as per Expropriation decision no. 180/31.03.2020, of ownership over the real estate units constituting the expropriation corridor.

Law no. 5/2020 approved the state budget for 2020, and chapter 84.01 “Transportation”, title 55 “Other transfers”, art. 55.01.12 “Investments of state-owned economic operators”, stipulates the allotment of the amount covering the indemnifications for the civilian housing units that constitute the expropriation path present on the location of the “Strategic Program for Airport Infrastructure Development at Bucharest - Henri Coandă International Airport” public utility work of national interest.

Throughout 2021, the expropriation procedure formalities were gone through, namely the stage of granting the indemnifications was completed through the issuance, by the committee members, of the indemnification-granting protocols and decisions.

2. Internal actions to coordinate and implement the Strategic Program

The fulfilment of the investment objectives within the Strategic Program is an extremely complex endeavour, and financing the works entails a considerable financial effort, which cannot be covered by own funds.

In that respect, **discussions began with international financial bodies (EBRD, EIB), commercial banks in Romania and consulting companies of international repute, in order to set up the optimum project funding and implementation method.** Their representatives validated the investment opportunity, however, considering at the same time the age of the

feasibility study and the business plan pertaining to the Strategic Program, they recommended updating the documentation so that the funds required to finance the project could be accessed. It was recommended to update the technical and economic indicators of the project (CAPEX), as well as the elements underpinning them (the traffic forecast, CNAB strategic objectives, the airport infrastructure development concept – Master Plan – a technical solution focusing on solutions specific to green airports, the operating concept, staging, implementation timeframe), together with the related business plan. We will also underline the recommendation to have the updated documentation drawn up by an independent third party with relevant practical experience in projects of this nature.

As a result, in order to be able to access the funds required to finance the Strategic Program, but also in order to adapt the Masterplan to the current context, **a proposal was made, and approved, to purchase consultancy services for drawing up the documentation required to access project funding**, according to Report AB-SSSE 350/17.12.2020.

Once the purchase of consultancy services received approval, the next step was to draw up the tender documentation. The tender book pertaining to the tender for the above-mentioned services was approved by the Management Board as per Decision no. 1/28.01.2022, whereas the launch of the procedure was postponed until the 2022 IEB (*income and expenditure budget*) approval.

As far as granting the funds for the Strategic Program is concerned, the most advanced discussions were those held with the European Investment Bank, which preapproved a loan amounting to 300 mil. Euro as project funding (the funds were going to be granted under the Juncker Plan 2014-2020) and proposed that free-of-charge technical assistance be provided as part of the Project preparation process. The endeavour was suspended following the lack of continuity in the dialogue between the top management and the EIB representatives.

Later on, in 2020, the dialog with the EIB representatives was resumed on the possibility to fund the project, however, the talks also took into account other determining factors, such as: the uncertainties concerning the industry developments generated by the Coronavirus crisis, the instability surrounding the company top management, the changes in the policies on granting EIB funding for transportation.

EIB's alignment to the objectives of the Paris Agreement (for a greener Europe – the Green Deal Pact) determined changes in the bank's loan policy, leading the EIB representatives to declare that they would no longer support investments in airport extensions throughout the 2021-2027 fiscal years, while being, however, able to support the enhancement of the current airport capacity by means of funding investment projects covered by the 2021-2022 period.

As such, several work meetings took place between CNAB and the EIB representatives, focused on analysing the list of investment projects proposed for funding, with specific debates on each of these, in order to identify eligible projects.

To that end, throughout 2021, CNAB submitted to the European Investment Bank an official request in order to assess the possibility of receiving funds for investment projects focused on modernising and rehabilitating the company-operated existing infrastructure.

Following the preliminary analysis, EIB acknowledged the availability of funding for the initially analysed projects and, to that end, published a WEB Form, on its own web page, in which it made public its intention to finance, with approximately 120 million Euro, as well as a brief description of the projects that were to be financed.

At the same time, EIB organised a series of funding preparation, financial due diligence, technical due diligence engagements and an activity focused on creating a financial model for CNAB, which is still in progress.

Furthermore, in order to obtain financing from among the funds allotted from the 2021-2027 multiannual budget for Romania, particularly as part of the National Resilience and Recovery Program (NRRP), CNAB discussed with representatives of the Ministry of Public Finance both in regard to funding the Strategic Program (or objectives within it – for example, the “Green” terminal) and to funding the investment projects related to the current infrastructure.

3. Actions in terms of legislation

In order to update the Strategic Program implementation schedule, **CNAB commenced the efforts required to promote the draft law on amending Government Ordinance no. 64/1999** for the approval of the Strategic Program to develop the AIHC airport infrastructure; it was submitted to MTI (*Ministry of Transportation and Infrastructure*) in 2021 and published, for public consultation purposes, in January 2022.

The draft law received a favourable opinion from the Ministry of Public Finance, a favourable opinion with observations from the Ministry of Justice, and was approved in the Government Session from March 09, 2022. The Government updated the implementation schedule of the Strategic Program for airport infrastructure development at Bucharest – Henri Coandă International Airport.

As such, the implementation deadline of the Program Stage 3, namely the completion of the works, is 2028, by offsetting the initial deadline by 6 years.

Furthermore, the issuance of all the permits, approvals and authorisations required to commence the works, initially set forth for the program Stage 2, shall be included in Stage 3, a measure necessary in order to ensure the long-term development of Henri Coandă International Airport, the public airport infrastructure of national interest, based on an accurate schedule, justified within the current social and economic context, as well as in light of the pandemic crisis effects upon the aviation industry.

4. Actions intended to elaborate the Company’s sustainable development strategy

In recent years, we have witnessed, particularly in the European Union, an increased focus on debates and actions around the sustainability concept.

Starting from the agreements, policies and measures adopted by the European Union and the European “green” trend, taking into account the Sustainable and smart mobility strategy adopted by the European Commission in December 2020, and keeping in mind the DESTINATION 2050 commitment of the European aviation industry, launched in February 2021, CNAB will have to adapt its Vision, Mission and Strategies in order to keep up with the new trends and fulfil its sustainability objectives.

To that end, a set of measures, clear multiannual objectives and strategies were devised, aimed at supporting these common goals and, for that purpose, the Sustainable development strategy was drawn up and approved in September 2021.

Moreover, throughout 2021, under a partnership with the European Bank for Reconstruction and Development (EBRD), a comprehensive Audit assessing the company’s energy efficiency opportunities was carried out. As such, a Study on the Company’s Energy Efficiency was elaborated, as was a list of possible projects which, once implemented, would lead to a decrease in energy consumption, a decrease in costs and would help lower the carbon footprint.

5. Other actions carried out:

- In order to correlate the efforts to prepare and implement the investments managed by various categories of organisations (central and local structures and agencies, as

well as private investors), a working party was created pursuant to a Minister's Order and, within it, CNAB takes part as a standing member. As such, The Working Party on Sustainable Mobility in Bucharest-Ilfov region (GLBI) was set up as per OMTI (*Order of the Minister of Transportation and Infrastructure*) no. 108/2021.

6. Planned actions

- Updating the documentation required to obtain project funding (2022)
- Completing the technical and economic documentation related to the project, namely drawing the Technical Design and obtaining all the permits, approvals and authorisations required to carry out the works (2023-2024)
- Fulfilling the investment objectives while complying with the new schedule and coordinating the works with the related land and railway infrastructure projects (2024-2027)

B. Medium- and long-term development of airport infrastructure at AIBB-AV

At AIBB-AV, the following main projects are planned:

- **Short term** – investments in **rehabilitating and re-rendering AIBB-AV functional**:
 - Completion of investments in upgrading the main terminal - A, B and the Rotunda, the main goal of which is to secure an estimated processing capacity of at least 400,000 pax/year. Current status: ongoing contract for engineering and construction works.
- **Medium- and long-term** – elaboration of a pre-feasibility study specific to the AIBB-AV airport infrastructure development path, for the purpose of identifying the airport infrastructure development path, in order to maximise revenues from air and non-air activities and turn AIBB-AV into a profit centre, as well as outlining the grounds for the need and opportunity for the proposed investments.

2021 actions

1. As per the General Manager's Directive no. 172/ 24.03.2021, The AIBB-AV activity streamlining commission was appointed, having the following responsibilities and duties:

- identifying activity streamlining solutions both by increasing revenues (from the core and non-aeronautic activity), as well as by lowering expenses while maintaining compliant safety, security and quality levels of services.
- analysing operating scenarios (the operating scenario as a commercial airport opened to all types of operators, namely the scenario of operations primarily intended for the business segment)
- identifying the most efficient solution from an economic standpoint, in the short, medium and long term, as well subsequent development prospects.

The Commission's activity materialised itself in the document entitled *Rendering AIBB-AV operational. Action Plan – October 2021*, a plan detailing the main courses of action and measures required in order to render operational and streamline the activity of AIBB-AV place of business, with the added mention that this commission never attempted to replace the

directorates, departments or services with specific duties across these activity areas. In addition to the proposed measures, at the end of the document one can also find the calculation annexes (a simulation of the revenues and expenditures related to AIBB-AV).

2. The submission for approval of tender book **AB-SSSE 127/13.04.2021, drawn up in order to purchase the services for the elaboration of the “Pre-feasibility study related to the development path, in the medium and long term, of AIBB-AV airport infrastructure”.**

III.2 PRIVATISATION

LEGAL FRAMEWORK

- **Law no. 297/2004** on the capital market, *as subsequently amended and supplemented*;
- **Law no. 247/2005** on reforms in the areas of property and justice, and certain adjacent measures, *as subsequently amended and supplemented*;
- **Government Decision no. 574/2006** for the approval of the first stage in the strategy to privatise certain trading companies under the authority of MTCT (*Ministry of Transportation, Constructions and Tourism*), *as subsequently amended and supplemented*;
- **Government Emergency Ordinance no. 81/2007** on accelerating the procedure of granting indemnifications for abusively confiscated real estate units;
- **GD no. 1208/2009 from 07/10/2009** on setting up National Company “Aeroporturi București” - S.A. by means of a merger between National Company “Aeroportul International Henri Coanda – București” S.A. and National Company “Aeroportul International București Băneasa – Aurel Vlaicu” S.A.;
- **08.09.2016 – the Memorandum on the topic: The need to capitalise on stakes held by the state in companies**, where chapter II, item 2, for CN Aeroporturi București S.A., proposed the method of share capital increase via the issuance of new shares representing 20-25% of the company’s share capital and the case thereof by means of a primary initial public offering (IPO) carried out by SC Bursa de Valori București SA (*Bucharest Stock Exchange*), whereas the state, through the Ministry of Transportation, would continue to have a majority ownership share.

2021 endeavours

In 2021, CNAB was invited to, and took part in, the events organised by Fondul Proprietatea in collaboration with Woods&Co and BVB - “Romania Investors Days”, in March (online), continuing to develop relations with possible investors interested in the company’s activity and financial and operating performance.

CNAB attended with a presentation of the company, focused on the financial, commercial and operating evolution, but also a presentation of the Strategic Program for Airport Infrastructure Development at AIHCB.

III.3 THE INVESTMENT ACTIVITY

III.3.1 THE INVESTMENT UNDERTAKING DEGREE

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	2021 IEB	2021 IEB	%
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	Approved	Executed	IEB
1. Investment funding sources	206,307,840.00	125,314,499.88	60.74
a) own sources constituted as per the regulations in force	127,500,000.00	56,428,899.88	44.26
b) state budget allowances			
c) other sources	78,807,840.00	68,885,600.00	87.41
2. Capital expenditure	206,307,840.00	125,314,499.88	60.74
a) independent facilities	75,601,620.00	23,303,072.88	30.82
b) investment works	130,706,220.00	102,011,427.00	78.05

In 2021, according to the investment plan monitoring schedule, the following investment- and equipment-related objectives were fulfilled:

- For chapter „b) **investment works**”, the related amount, namely **102,011,427.00 lei**, represents expenditure made for the following objectives:

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Investment objective	Fulfilled as at 31.12.2021
GENERAL TOTAL	102,011,427.00
Grass-covered island - Execution of service and patrolling road in the area of Platform no. 1 – Airstrip N, at AIHCB	723,002.01
Performance of rehabilitation of and re-rendering operational the interiors of Buildings A, B and the Rotunda - AIBB-AV	38,820,944.46
Building operating as an FPE shed, with accesses and FPE water reserve, at AIBB-AV place of business (performance of works, consultancy, designer assistance)	3,603,113.59
Parking System modernisation at AIHCB	6,834,082.45
Exterior lighting upgrades at AIBB AV	83,876.91
Lightweight-structure hall at AIHCB	553.00
Upgrades for SMPHC tower at AIHCB	1,129,000.00
Upgrades for distribution substation 20kv at AIHCB – design	56,070.00
Execution of canopy in access control point PCA 19-AIHCB and in access control point PCA 51-AIHCB	17,818.27
Parking lot, GF(<i>ground floor</i>)+2, Wester Department (DALI, TD(<i>technical design</i>), DD(<i>detailed design</i>))	264,693.75
Addition of storeys, GF+2, for P4 and P5 parking lots (technical valuation + DALI)	310,161.82
Execution of rehabilitation and reorganising works for outdoor heating grids and the connection thereof to heating plant CT1, at AIHCB	3,757,373.15
Integration of electric generator sets for airstrips and internal services. The generating station at AIHCB (TD+ execution)	3,272,853.74
Transformer stations at AIHCB (technical valuation + DALI)	147,000.00

- The chapter “**independent facilities**” comprises expenses which are required for conducting airport activities under proper conditions. As such, throughout **2021**, the following were purchased:

-lei-

Independent facilities and machinery	Fulfilled as at 31.12.2021
GENERAL TOTAL	23,303,072.88
Car key transponders	984,082.55

Activity-specific subscription-based computer applications/software/programs as per the requests of CNAB departments	6,890.00
Smart road sensor casing	72,799.83
Wheelchairs for PRMs	37,009.10
Airport compact snow clearing machinery	13,621,720.00
Airport fire engine, 12,500 l/water; 1500 l/foam; 250 kg/powder	3,265,781.00
Mixed utility vehicle, double cabin boxed van type	634,546.56
Double cabin 3.5t mixed pick-up truck	635,654.80
Framework agreement for air conditioning systems, AIHCB and AIBB, contract no. 384/C/01.11.2019	31,522.00
Energy quality analyser system	85,348.14
Road marking / writing machine	1,182,529.44
Husqvarna lawn tractor	14,697.47
Husqvarna lawn mower	5,025.20
Jackhammer	6,250.00
Current generator	7,974.79
TE 2000 AVR + trolley set	10,470.01
Concrete and asphalt cutter	9,720.00
Supply of anti-terrorist physical protection systems at AIHCB – contract no. 365/c/15.07.2020	63,444.11
CCTV development, upgrading and extension for AIHCB and AIBB-AV / Implementation of the video analytics technology VCA, LPR AIHCB - contract no. 307/c/22.04.2019	1,503,730.49
Portable LEDS security control equipment	289,161.12
Metal detector (WTMD) gate equipment	760,883.60
Other facilities	73,832.67

III.4 BUSINESS ACTIVITY

III.4.1 AERONAUTIC BUSINESS TYPES

4.1.1. Operational activity (airport services agreements, jet bridge operation and business lounge services)

- **Updating airport service (operation) and business lounge service agreements – an endeavour commenced in early April 2020 and continued throughout 2021.**

The activity of updating the contracts for Business Lounge services and the contracts for airport services was continued by SCO (*Otopeni Commercial Service*) in 2021, contracts being signed with the following partners:

- EL-AL Israel Airlines - contract for the provision of Business Lounge services;
- Qatar Airways - contract for the provision of airport services;
- LOT Polish Airlines - contract for the provision of airport services;
- EL-Al Israel Airlines - contract for the provision of airport services.

The increase of the business service fee led the airlines within the LUFTHANSA Group and BRITISH AIRWAYS to decide to terminate the agreements concluded with CNAB SA and, up to the date of the present document, they have not returned to the decision to sign new contracts, despite the constant efforts undertaken by SCO.

At the end of 2021, SCO's portfolio included:

- 23 contracts for the provision of airport services concluded with Romanian and foreign air operators,

- 4 contracts for the provision of airport services concluded with handling companies, in their capacity of Intermediaries with the role of collecting the equivalent value of airport services from air operators that do not have direct trade relations concluded with CNAB SA;
- 15 contract for the provision of Business Lounge services.
- 16 contract for services pertaining to passenger boarding/disembarking jet bridges.

Following the Management Board's decision to change the jet bridge fee for aircraft whose maximum weight on take-off exceeds 180 tons, as of 01.10.2021, it was presented for approval in SBAFT Report no. 86/07.06.2021, the Service for Operating Contracts decided to also update the contracts for services on passenger mobile boarding/disembarking jet bridges. In that respect, the top management approved Report AB-SCO 827/05.11.2021.

At the air operators' request, the jet bridge fee implementation was extended from 01.10.2021 to 01.04.2022 (AB-SCO Report no. 647/27.08.2021 intended for the Management Board). We will mention that, by that date, the new contracts for services on mobile boarding/disembarking jet bridges had been concluded with the following airlines:

- DUBAI AVIATION CORPORATION T/A FLYDUBAI;
- TURKISH AIRLINES INC.
- EL-AL ISRAEL AIRLINES;
- PEGASUS HAVA TASIMACILIGI.

The following contracts for services on mobile boarding/disembarking jet bridges are in the signing process:

- AIR FRANCE/KLM ROYAL DUTCH;
- AEGEAN AIRLINES;
- AUSTRIAN AIRLINES;
- DEUTSCHE LUFTHANSA;
- QATAR AIRWAYS;
- SWISS INTERNATIONAL AIRLINES LTD.

➤ **Operation schedule analysis (served routes/destinations)**

In 2021, air traffic experienced an upward trend, leading to increases in traffic indicators as at December 2021 compared with 2020, as follows:

- PASSENGERS..... 202.04%
- AIRCRAFT MOVEMENTS..... 105.65%
- CARGO..... 12.19%.

If we take a comparative look at 2019 as the reference year, despite an air traffic revival in 2021, the revenues of CNAB SA from its core activity continued to be affected.

Throughout 2021, as well, the world health crisis determined both the EU and the non-EU states to keep their borders closed over certain periods of time, and airlines were forced to cancel flights they normally ran to/from OTP or to considerably adjust their timetable in the sense of reducing the number of flights. We are referring here to Tarom, Blue Air Aviation, Wizzair and Ryanair Dac airlines, which would be running a significant amount of flights to/from OTP, this decrease continuing to send negative ripples upon the revenues of CNAB SA.

New airlines/new OTP routes

	OTP
No. of new destinations with regular flights (2021)	0
No. of airlines having direct trade relations with CN AB SA (2020)	47

4.1.2. Leasing activity (aeronautical agents or companies of a similar nature – contracts performed in both places of business)

- **The conclusion of new lease agreements for spaces/lands within the two CNAB places of business**

- **MENZIES AVIATION ROMANIA SA (AIHCB)**

The investment carried out by the partner and the negotiation on a new lease contract with MENZIES AVIATION ROMANIA SA were completed and materialised in signing contract no. 384/17.11.2021.

- **ROMANIAN AIRPORT SERVICES SA (AIBB-AV)**

Lease contract no. 217/C/09.06.2018 concerns the Lessor making available a number of spaces required to organise the logistics of the handling activity carried out by the Lessee, located on the premises of Bucharest Băneasa - Aurel Vlaicu International Airport.

The total area stipulated in the contract is 900.08 sq m, whereas the contract value is 2,758.08 EUR +VAT/month.

Across this technical platform, the Lessee built a self-supporting hall necessary in order to carry out the specific handling activities, and which CNAB SA valued in 2021 (as per the **report of independent valuator SC EMY EVAL SRL – hall value: 672,358 lei**).

According to the contractual provisions - **Ch. XIV SPACE RETURNING MANNER, Art. 14.3.4**, “*Upon the cessation of the contract or, as the case may be, no later than after a period not exceeding 5 years, calculated as of January 1, 2017, whether or not the term extension of this contract is agreed upon, the self-supporting hall shall become by law the property of CN AB SA, provided that RAS obtains all the permits and approvals for it to be considered legally erected*”.

Following internal developments, on 01.01.2022, CN AB SA became the legal owner of the self-supporting hall (net area of 586.8 sq m). From leasing the self-supporting hall at the rates in AIBB-AV Nomenclature for tariffs and implementation rules, the edition in force, CNAB SA shall obtain a **minimum monthly revenue of 5,089 Euro + VAT**.

- **SITA B.V. Olanda (AIHCB)**

Lease contract no. 173/1/C/31.05.2021 was concluded on the subject of leasing a space with a total area of 15.45 sq m, on the premises of Henri Coanda International Airport (AIHCB), intended to host activities pertaining to the provision of telecommunications services specific to the air transportation industry to operators in the field.

- **S.C. BLUE AIR TECHNIC S.R.L. (AIHCB)**

Lease contract no. 134/C/28.04.2021 was concluded for the lease of spaces with a total area of 291.60 sq m, on the premises of Henri Coanda International Airport (AIHCB), intended to host aircraft-specific line repair and maintenance activities.

- **S.C. BLUE AIR AVIATION S.A. (AIHCB)**

Lease contract no. 135/C/28.04.2021 was concluded for the lease of spaces with a total area of 261.69 sq m, on the premises of Henri Coanda International Airport (AIHCB), intended to host specific aviation activities. The amount paid by the lessee is 4,187.84 Euro + VAT.

- **S.C. ROMANIAN FUELLING SERVICES S.R.L (AIHCB)**

Contract no. 442/C/30.07.2010 for ground handling and fuelling services was concluded on the subject of providing the Contractor with access to the necessary spaces and facilities in order to jointly use them with the other authorised handling operators, tasked with rendering authorised handling services, according to the permit and the annexes to it issued by CAA (*Romanian Civil Aeronautical Authority*).

This contract did not produce any revenues in 2019 and 2020, the performance thereof being resumed as of 01.01.2021.

➤ **The joint venture activity (aeronautical agents)**

- **ION ȚIRIAC AIR SRL – contract no. 6612/24.05.1999**

Pursuant to Management Board Decision no. 13/2021, a Commission was appointed for renegotiating the contract with Ion Țiriac Air SRL (set up as per Decree DG no. 360/21.09.2021). Later on, Report AB-SCO 975/16.12.2021 was drawn up on the activity carried out by the negotiation commission with ITA SRL, and presented to the Management Board. The Management Board took note of the commission's report as per Management Board Decision no. 1/28.01.2022.

In regard to the status of abusively occupied spaces, case file no. 830/93/2021 was registered on the docket of Ilfov County Court on the matter of “positive obligation”, in which CNAB acts as the plaintiff. CNAB SA requested that the court order Ion Țiriac Air SRL to pay the amount of 323,382.62 EUR (representing the equivalent value of the deprivation of use, concerning the claimed land, over the 25.11.2019 – present day period), to pay the amount of 6,737 EUR/month for the interval 02.02.2021 – the land clearing date (representing the equivalent value of the monthly lease due as per the Fee Nomenclature in force at AIHCB), to pay the amount of 67,258.91 EUR (representing the default interest for the 25.11.2016 – 02.02.2021 interval).

The CNAB revenue from this contract, pertaining to 2021, is the equivalent in RON of **39,000 USD** (a minimum guaranteed revenue of 3,250 USD/month).

- **OMV PETROM AVIATION SRL**

- **ANSAMBLE INFLIGHT SRL**

A legal action was commenced on the matter of real estate accession and, with it, **CNAB requested to acquire the right of ownership over the building** erected by the associate on the AIBB-AV premises. On 16.12.2021, the law court ruled that CN AB SA acquired, by way of real estate accession, the right of ownership over the building at 40 București-Ploiești Rd., District 1, Bucharest, identified with cadastral number 227215 C 1, representing a B(*basement*)+GF+3S(*storey*) construction, built on the land owned by CNAB and bearing cadastral number 227215, located at 40 București-

Ploiești Rd., District 1, Bucharest. The court ordered that the defendant leave the building in question under the full property and possession of the plaintiff, on the date when the defendant has paid the indemnification amounting to 2,871,949 lei and representing the equivalent value of the materials and labour paid for to erect the building, and that the indemnification be paid within 30 days from the decision delivery date.

III.4.2 NON-AERONAUTIC BUSINESS TYPES

III.4.2.1. SPACE LEASES

For AIHCB place of business

- Throughout 2021, the Commercial Service managed a number of 30 lease agreements for spaces for a series of commercial business types, namely: pharmacy, rent-a-car, supermarket, banking activities (ATMs and commercial bank place of business), post office, mobile telephony, press & stationery, hairdresser, foreign exchange, STB (*Bucharest Transportation Company*) counters, retail travel store, petrol station, public food service vending machines, Covid testing area, counter and totem for VAT refund to non-EU passengers. Of these, 5 agreements were actually concluded throughout 2021 by setting up bidding procedures with Bucharest Commodity Exchange and competitive tendering procedures at CNAB headquarters.
- In order to contribute to the general effort specific to this difficult economic rebalancing period, financial incentives were granted to those economic operators most significantly impaired by the pandemic context, as they benefitted from lease discounts.
- The time period for which lease discounts were applied was extended from June 2021 to the end of December 2021, the granted facilities being approved by CNAB SA Management Board.
- The commercial business types newly assigned following tendering procedures and implemented throughout 2021 were: Sars Cov-2 testing area, cold and hot beverage and sandwich vending machines.
- The tendering procedures for the lease of areas with the following commercial business types: supermarket, checked baggage secured packing, ATMs were commenced.

For AIBB AV place of business

- 4 lease agreements for spaces and lands were managed in order to secure the following commercial business types: banking activities via ATM, car/service sale exhibition, petrol station, flower exhibition/restaurant.

III.4.2.2. PROVISION OF HOSPITALITY SERVICES

The number of contracts managed throughout 2021:

- business lounge for banking institutions: 11
- hospitality for various officials: 151
- hospitality for economic operators: 328

As opposed to 2020, the year 2021 saw an increase in passenger traffic by 55.15%. This increase was also reflected in the number of passengers who accessed the AIHCB hospitality lounges.

III.4.2.3 JOINT VENTURES

The pandemic context lead to the temporary closure of several spaces within AIHCB made available pursuant to the joint venture agreements concluded with Dnata Catering S.R.L. and Millenium Pro Design S.R.L.

Throughout 2021, most (80%) of the public food service and retail spaces were gradually reopened, in stages.

For the January – December 2021 period, the proceeds from the joint venture agreements for F&B and retail business types were as follows:

- in regard to joint venture agreement no. 527/C/27.10.2010 concluded with DNATA CATERING SA, for public catering activities, the joint venture result was 8,813,080.60 lei, a 250.57% increase in 2021 versus 2020.
- in regard to joint venture agreement no. 528/C/27.10.2010 concluded with Millenium Pro Design SRL, for retail activities, the joint venture result was 15,864,452.79 lei, a 353.60% increase in 2021 versus 2020.
- in 2021, the proceeds pertaining to the two joint venture agreements amounted to 24,677,533.39 lei.

III.4.2.4 ADVERTISING

In 2021, the media market witnessed a 17% increase compared with 2020, thus recovering a few percentages lost in 2020, when the pandemic dropped the local OOH industry to its lowest ever level in recent history. The economic crisis triggered by the pandemic directly impacted the advertising budgets of businesses, the remaining budgets being redirected primarily to the online environment.

Throughout 2021, the Romanian Commodities Exchange helped carry out the open outcry tender on the matter of: “Leasing of advertisement showcasing spaces located on the premises of C.N. A.B. S.A. – Bucharest Henri Coanda International Airport place of business”, approved as per Management Board Decision no. 17 from 08.10.2019, as follows:

1. **on 28.04.2021** – the procedure did not take place due to the fact that, although the procedure-related documentation had been purchased by 2 companies, no tenders were submitted in order to take part in the procedure.
2. **on 11.10.2021** – the procedure did not take place as no tender had been submitted. We will mention the fact that the procedure was resumed following CNAB Management Board Decision no. 16/26.08.2021, item 16, *“the top management are hereby mandated to put out to tender the spaces within CNAB, and the contracts are to come into force as of January 1, 2022, the minimum starting amount of these contracts being identical to that of the previous tender procedure.”*
3. **on 03.12.2021** – the procedure did not take place as no tender had been submitted.

Until the assignment of the spaces following the tender procedure, in order to vitalise the advertisement showcasing activity on the airport premises, and keeping in mind the need to draw revenues in, as well as to have the spaces occupied, it was deemed necessary to adapt the commercial strategy the advertising market-imposed conditions in the context of the current economic situation. To that end, Management Board Decision no. 10/2021 approved *Report SC 818/20.05.2021 on regulating the conditions for contracting advertisement showcasing spaces on the premises of the airports comprised by CNAB SA, in the current economic context*, with the following proposals to regulate the conditions for granting advertisement locations within the CNAB airports:

- The resumption of the tender procedure for long-term (5 years) awarding advertisement locations on the premises of AIHCB **upon reaching the threshold of 11 million passengers on a yearly basis**, given that the minimum threshold considered in setting forth the minimum annual revenue for CNAB was 11 million passengers. Additionally, the number of passengers is the indicator reflecting the state of the economy.
- **Until the long-term awarding of the spaces following the tendering procedure facilitated by the Romanian Commodities Exchange, in order to incentivise demand, for the direct awarding contracts concluded (no more than 90 das/year), the minimum tendering prices shall be those in the fee nomenclature;**
- At the same time, in order to stimulate sales, affected by a decrease within the epidemiological context and the economic crisis generated by it, the proposal for 2021 was to grant a volume discount, applicable to the monthly contractual value (a contractual value calculated based on the tariffs in the nomenclature), as follows:
 - from 1,001 Euro/month up to 3,000 Euro/month - 5%
 - from 3,001 Euro/month up to 5,000 Euro/month - 10%
 - from 5,001 Euro/month up to 10,000 Euro/month - 15%
 - in excess of 10,001 Euro/month - 20%

In 2021, 28 advertisement showcasing contracts, 4 contracts for promotional material distribution and 3 welcome desk contracts were concluded.

III.4.2.5 TAXI

In January 2021, 4 taxi order placing terminal were installed, 16 pictograms being invoiced in relation to them through the performance of 7 contracts.

F.O.R.T. stopped the collaboration with CNAB in February, thus the number of terminals dropping to 3.

A new terminal was installed by Meridian in June, increasing the number of terminals to 4, for which 16 pictograms were invoiced through the performance of 7 contracts.

III.4.2.6. UTILITIES and PARKING LOTS

The Commercial Service handled 295 contracts for electricity, water and sanitation, heat, telecommunications, telephony, line leasing, sanitation services, cleaning services, radiocommunications/trunking equipment leasing. 50 of these contracts were concluded throughout 2021.

At the same time, 29 contracts for parking lot access were concluded. 6 of these contracts were concluded throughout 2021.

UTILITIES – 295 contracts IN TOTAL, of which 50 concluded in 2021:

- WATER AND SANITATION
 - no. of contracts managed: 62, of which 13 concluded throughout 2021
- ELECTRICITY
 - no. of contracts managed: 75, of which 15 concluded throughout 2021
- HEAT
 - no. of contracts managed: 49, of which 12 concluded throughout 2021
- TELECOMMUNICATIONS
 - no. of contracts managed: 54, of which 6 concluded throughout 2021

- TELEPHONY

- no. of contracts managed: 2

- LINE LEASING

- no. of contracts managed: 3, of which 1 concluded throughout 2021

- SERVICE RENDERINGS (SANITATION)

- no. of contracts managed: 16

- SERVICE RENDERINGS (CLEANING)

- no. of contracts managed: 12, of which 2 concluded throughout 2021

- RADIOCOMMUNICATIONS/TRUNKING EQUIPMENT LEASING

- no. of contracts managed: 22, of which 1 concluded throughout 2021

- PARKING LOTS

- no. of contracts for parking lot access at AIHCB and AIBB-AV managed: 29, of which 6 concluded throughout 2021.

IV. CNAB SA ECONOMIC AND FINANCIAL RESULTS

IV.1. STATISTICAL INDICATORS. TRAFFIC DATA

CNAB				
Indicator	2019	2020	2021	% 2021/2020
Number of passengers	14,729,894	4,468,906	6,922,297	154.90%
Aircraft movements	145,002	67,696	92,377	136.46%
Cargo (tons)	38,607	31,185	29,399	94.27%

IV.2. MAIN ECONOMIC INDICATORS

-lei-			
Indicator designation	Approved IEB	31.12.2021	% execution
0	1	2	
Net turnover	521,190,704.82	557,371,330.00	106.94%
Operating income	538,640,704.82	578,023,465.12	107.31%
Operating costs	536,906,429.83	537,271,697.54	100.07%
Operating profit/loss	1,734,274.99	40,751,767.58	
Financial revenues	1,500,000.00	5,744,030.87	382.94%
Financial expenses	3,026,900.00	7,272,040.20	240.25%
Total revenues	540,140,704.82	583,767,495.99	108.08%
Total expenditure	539,933,329.83	544,543,737.74	100.85%
Gross outturn	207,374.99	39,223,758.25	-
Deferred corporate income tax	-	5,189,804.00	-

Deferred tax income	-	-	-
Fiscal year net outturn	207,374.99	34,033,954.25	-

IV.2.1 FINANCIAL PERFORMANCE

The financial outturns recorded by CNAB in 2021 reflect a **slight increase in operating income (by approximately 42.52%)**, despite the conditions specific to 2021, when the company continued to be affected by the restrictions imposed by the COVID-19 pandemic.

Revenues

In 2021, the company achieved total revenues amounting to 583,767,499 lei which, compared with 2020, is an increase by 170,716,736 lei and 70.80%, respectively, following the air traffic increase.

The operating activity produced revenues amounting to 405,577,904 lei, of which:

- revenues obtained from the core activity, which is providing conditions for the arrival, departure or on-the-ground handling of aircraft, airport services for the transit of persons, cargo and mail, amounting to 437,080,113 lei;
- revenues from the sale of residual products – 5 lei;
- revenues from royalties, leases and rentals (including joint ventures), amounting to 64,029,706 lei;
- revenues from sales of various goods, amounting to 501,603 lei;
- revenues related to expenses with product inventories, amounting to 10,736 lei;
- revenues from related activities, amounting to 55,759,903 lei;
- other operating revenues obtained from asset disposals, indemnifications and penalties under the commercial contracts concluded, amounting to 5,851,275 lei;
- revenues from investment subsidies – 10,299 lei;
- revenues from investment subsidies – 14,779,827 lei;

The financial activity produced revenues amounting to 5,744,032 lei.

Expenditure

In 2021, the total expenditure reached 544,543,738 lei, a decrease by -42,503,757 lei and -8%, respectively, compared with 2020.

The operating activity produced expenses amounting to 537,271,698 lei, of which:

- expenses for materials, amounting in total to 10,481,048 lei;
- other external expenses – utilities, amounting to 21,210,854 lei;
- expenses with various goods, amounting to 458,919 lei;
- expenses for external deliverables, amounting to 138,604,985 lei;
- expenses related to taxes, dues and levies – 19,002,075 lei;
- staff expenditure, amounting in total to 178,312,383 lei;
- other operating expenses, amounting in total to 35,103,638 lei;
- expenses related to depreciations, amounting to 134,097,795 lei.

The financial activity produced expenses amounting to 7,272,040 lei.

In 2021, CN Aeroporturi București SA recorded a positive gross comprehensive income, with an ultimate total of 39,223,761 lei. After adding the deferred corporate income tax, the result was an **accounting profit amounting to 34,033,957 lei**.

Contracting a cash loan

Taking into account the deterioration of financial indicators throughout 2020 and 2021, with major effects upon securing funding sources for both the current and the investments activities, Management Board Decision no. 5 from 23.03.2021 and Decision no. 7 from 06.05.2021 of the Shareholders' General Extraordinary Assembly endorsed and approved, respectively, contracting an investment loan amounting to 40 mil. EUR in order to finance the investment objectives and/or to partially refinance the own resources of CNAB, secured with tangible personal property or intangible property.

The status of the use of the bank loans contracted by C.N. Aeroporturi București as at 31.12.2021 is as follows:

LOAN DRAWS

Cash loan, 60,000,000 EUR		Investment loan, 40,000,000 EUR	
Draw amount (EUR)	Draw date	Draw amount (EUR)	Draw date
15,000,000.00	19.10.2020	14,000,000.00	11.06.2021
15,000,000.00	15.12.2020	-	-
15,000,000.00	04.01.2021	-	-
4,000,000.00	29.03.2021	-	-
11,000,000.00	20.09.2021	-	-
Total amounts drawn: 60,000,000		Total amounts drawn: 14,000,000	
Available loan (EUR): 0		Available loan (EUR): 26,000,000	

IV.3. SUMMARY INDICATORS

Liquidity indicators	2020	2021
1. General liquidity = Current assets / Current liabilities	1.05	1.16
	504,813,850/479,477,606	488,611,735/422,700,245
2. Immediate liquidity = (Current assets - Stocks) / Current liabilities	1.02	1.11
	487,119,838/479,477,606	471,023,095/422,700,245
3. Global solvency ratio = Total assets / Total liabilities	5.25	5.39
	4,831,695,673/920,366,282	4,823,886,403/895,644,653

Financial balance rates		
	2020	2021
1. Fixed asset financing rate = Permanent capital/Fixed assets	0.97	0.98
	4,183,287,230/4,324,853,677	4,247,092,265/4,333,406,531
2. Current asset financing rate = Net working capital x 100 / Current assets	5.44	13.92
	27,359,328*100/502,785,704	67,771,035*100/486,743,598
3. Financial autonomy rate = Equity / Permanent capital	0.93	0.92
	3,911,329,391/4,183,287,230	3,928,241,750/4,247,092,265

Activity indicators		
	2020	2021
1. Receivable collection period = Trade receivable average balance * 365 / Turnover	77,28	47,21
	78.908.189*365/372.670.794	72.087.392*365/557.371.330
2. Debt repayment period = Trade payable average balance * 365 / Turnover	54,54	43,45
	55.681.673 *365/ 372.670.794	66.356.390*365/557.371.330
3. Fixed asset turnover = Turnover / Fixed assets	0,09	0,13
	372.670.794 / 4.324.853.677	557.371.330/4.333.406.531
4. Total asset turnover = Turnover / Total assets	0,08	0,12
	372.670.794/4.831.695.673	557.371.330/4.823.886.403
5. Stock turnover = Turnover/Average inventory level	20,24	31,59
	372.670.794/18.414.492	557.371.330/17.641.326

Rate of debt indicators		
	2020	2021
1. Rate of debt indicator - Borrowed capital x 100/ Equity	3.73	9.32
	146,082,000*100/3,911,329,391	366,159,400*100/3,928,241,750
2. Overall rate of debt = (Total liabilities/Total assets)*100	19.05	18.57
	920,366,282/4,831,695,673*100	895,644,653/4,823,886,403*100

Analysis of the need for working capital		
	2020	2021
1. Current assets	504,813,850	488,611,735
2. Cash	38,375,645	204,096,755
3. Short-term liabilities minus the amounts due to credit institutions in the short run	479,477,606	422,700,245
4. N.F.R. (<i>need for working capital</i>) (1-2-3)	-13,039,401	-138,185,265
5. F.R.N (<i>net working capital</i>) = Net current assets – Net current liabilities	27,359,328	67,771,035
6. T.N. (<i>net treasury</i>) (F.R.N.- N.F.R.) (5-4)	40,398,729	205,956,300

V. RISK ANALYSIS

Risk represents the uncertainty around the occurrence of a phenomenon which, if does occur, can have an influence upon the objectives set forth. Risk refers, in particular, to the degree of uncertainty hovering over future events.

The first stage in a risk analysis focuses on identifying CNAB's exposure to events of an uncertain nature and with a possible impact upon the airport's normal activity. In that respect, the main activities carried out by CNAB, as well as the internal and external factors that can exert an influence upon the company were taken into account. This preliminary analysis led to identifying a series of risks, which were clustered, depending on their typology, into five categories detailed below.

Negative developments across the general economic context

The development of CNAB's activity depends, to a significant extent, on the macroeconomic developments both domestically and worldwide, the general economic context having a significant impact upon passenger traffic and, thereby, upon the company. The occurrence of negative trends in economy on a global scale, such as the economic crisis, is a potential short-

term risk, however, with relatively low predictability, considering the multitude of determinants.

Business risks

The main business risks are those related to demand and revenues. Within CNAB, they may take the following shapes: a drop in revenues due to the conjectural decrease of air traffic (epidemics, accidents, etc), airlines cancelling some of their flights or an airline shutting down its business. Considering that most passengers fall into the “origin/final destination” category, the flights run by an airline can be relatively easily taken over by other airlines and would not entail financial difficulties for CNAB.

Other possible business risks are: a low occupancy degree of business premises to lease, a decrease of revenues from leases, a low usage degree of new parking spots, a low usage degree of available locations for advertising purposes, a decrease of revenues from joint venture contracts. Given the small share of non-aeronautic revenues, such risks becoming real would not have a significant impact upon the company.

Operational risks

Operational risk is the risk of incurring direct or indirect financial losses as a result of:

- erroneous or inadequate internal processes;
- persons taking the wrong course of action;
- systems displaying implementation deficiencies;
- undesirable external events.

The operational risks identified within CNAB are reflected from a series of events that can negatively influence the proper business processes conducted by the company, these events being related to the existing airport infrastructure, the ongoing/planned investment programs, as well as the structure and number of employed personnel. The main goal is to identify potential risks before they might produce events with negative outcomes.

Financial risks

Significant financial risks are the interest rate risk and the foreign exchange risk. CNAB has a low debt-to-equity ratio, whereas the structure of receipts and releases, from a currency standpoint, is balanced. Under these conditions, this risk remains low in the medium term.

Legal risks

Based on the experts’ opinions, provisions were set up for the most significant litigations in terms of plaintiff claims (with CNAB acting as the defendant).

Considering that the level of provisions was set forth in a cautious manner, and the litigations are in various settlement stages, it is unlikely we will see a scenario where CNAB is bound to pay indemnifications which, in terms of amount and duration, could yield financial difficulties for the company, particularly in regard to cash flows.

B. NON-FINANCIAL STATEMENT (OMFP 2844/2016, art. 39 par. (1) - (8))

STAFF NUMBER EVOLUTION

P The human resources policy focused primarily on the main aspects:

- the management of the human resources in line with fulfilling the company’s major objectives;

- selection, recruitment and integration of the human resources;
- retaining and promoting the current human resources;
- maintaining the employee financial incentivising system, materialised in the Collective Labour Agreement, provided that the economic targets are achieved;
- monitoring working hours and restoring work capacity

In view of the above-mentioned principles, the following objectives were formulated:

- sound and coherent management of the human resources required to carry out airport activities under proper conditions;
- setting up the personnel recruitment and selection process based on the competency principle;
- quick integration of new employees;
- stability and retention of human resources.

Considering these objectives, the company's activity in 2021 was carried out with an average number of 1,369 employees.

STAFF RECRUITMENT AND EMPLOYMENT took place in accordance with the company's memorandum of association and procedures. The vacancies put out to competition were notified internally throughout the company and externally, to the County Employment Agency, as provided by Law no. 76/2002 on unemployment benefits and employment stimulation.

PROFESSIONAL TRAINING was carried out throughout 2021 in accordance with the legal provisions and the existing social and economic context (the effects generated by the coronavirus pandemic). The purpose of training activities was to maintain the company employees' competency levels, so that the business may be carried out under safe and secure conditions.

In terms of external professional training, throughout 2021, **23 courses** were carried out, with the participation of **189 employees** and, depending on the location where they took place, the status appeared as follows: 45 employees took part in online courses, 48 employees took part in courses at the company headquarters, 88 employees took part in courses in Bucharest, and 8 employees took part in trainings on equipment abroad. Of the total number of 189 employees, 85 attended authorisation / reauthorisation courses in the regulated fields (e.g., certification as radiotelephony operator in aeronautic mobile services and satellite aeronautic mobile services).

In terms of internal professional training, in 2021, **all of the company's employees** were included in workplace-specific training programs. The average number of internal training hours across CNAB was approximately 73 training hours/employee.

In order to comply with the legal requirements, in collaboration with the specialised structures, professional training was included in the **process of annual training / review for the personnel who operate facilities and equipment the operation of which entails holding (obtaining and/or extending) internal permits required to conduct business**. For both places of business, 10 such training / review sessions took place throughout 2021, for employees authorised to work as riggers, handlers, forklift drivers, elevator operators, crane operators, scissor lift operators, etc.).

Furthermore, for the personnel of the Special Operations Services (AIHCB and AIBB-AV), upon the completion of the specific training programs, the Professional Training Service issued **328 internal permits for the operation of the handling and adjacent equipment.**

For the personnel of the Platform Management Services (AIHCB and AIBB-AV), the professional training structure conducted training sessions, took part in the review commissions and issued **32 internal permits** for the company employees with Ground Dispatcher and Ground Dispatcher-Trainer.

Occupational health and safety

The business across the company throughout 2021 was strongly impaired by the COVID-19 pandemic, a disease caused by the new Coronavirus which broke out in 2019; most of the European Union member states established a series of measures intended to counter the spread of the disease, including measures that affected employment. The labour field is severely affected by this crisis and, as a result, CNAB, its employers and social partners were compelled to help protect the workers, their families and society in its entirety; nevertheless, CNAB made sure that any specific airport activities complied with the legal requirements in terms of occupational health and safety.

The COVID-19 crisis places the CNAB workers under pressure, as they have to either implement new procedures and practices over a very brief period, or to adapt their work and occupational activities. The occupational health and safety measures set forth by the company management provided practical support for the return to physical work presence after the state of emergency period: the adequate prevention measures contribute to the return to the workplace in a safe and healthy, following the social distancing measures, while also helping prevent the spread of the COVID-19 disease.

Environmental activity

CN “Aeroporturi București” SA continued its environmental protection efforts, all the more in the context of an increasingly difficult challenge, which is climate change. CN “Aeroporturi București” acknowledges its obligation to protect the environment. The approach within the company is that of development that is “sustainable and considerate” towards the environment, an approach which pursues not only safeguarding public health and the natural environment, but also the continuity of air transport over time.

The Company’s environmental policy is permanently connected to the global environmental protection trends, as they appear following international events. In addition, involvement in national and international environmental programs turns the company into a promoter of integrating research and development and of implementing their results throughout the airport platform. CN “Aeroporturi București” SA sets forth, documents, implements and maintains an integrated quality/environment/OHS management system and pays special attention to decreasing the environmental impact, permanently trying to balance the requirements in the field of aviation with the environmental protection ones. The company is developed and managed in accordance with all the national and international regulations in the industry.

The company’s environmental policy is communicated to partners, suppliers, employees, as well as to all stakeholders. There are permanently operational customer services tasked with replying to comments and suggestions made by them. All the works carried out across the

airport platform rely on enhancing performance in the areas of: noise, air quality, energy consumption, water protection, waste management, soil protection.

CN “Aeroporturi București” permanently monitors the quality of environmental factors. The performance of measurements to determine / monitor the quality of environmental factors is a requirement imposed via the Environmental Permits related to the activities carried out within the two business premises and Airport Club.

In the field of waste management, the approach of CN “Aeroporturi București” takes into account the following aspects:

- Decreasing the amount of waste generated and disposed of into the environment, while implementing the principles pertaining to source reduction, waste selective collection, recycling, reuse and recovery
- Identifying possibilities to effectively recover and/or dispose of waste generated from activities
- Adapting management practices so that there should be compliance with the legal requirements on waste management.

One of the basic objectives of the strategy adopted by CN “Aeroporturi București” in the field of environmental protection is also the calculation of greenhouse gas emissions, by determining the carbon footprint.

CN “Aeroporturi București” takes part, with both airports, in *Airport Carbon Accreditation* global program.

Airport Carbon Accreditation is one of the most important programs of ACI Europe, launched in 2009 and managed by an independent structure the members of which are representatives of the European Commission, the UN Environment Programme, the International Civil Aviation Organisation, the European Civil Aviation Conference, the European Organisation for the Safety of Air Navigation.

The airports can take part in the ACI – *Airport Carbon Accreditation* Program, under one of the 4 gradual accreditation levels: Mapping (1), Reduction (2), Optimisation (3), Transformation (4). Furthermore, airports with level 4 and 4 accreditation can choose to offset their residual emissions, thus reaching levels 3+ (Neutrality) and 4+ (Transition), respectively). In order to certify for one of the 6 Levels of the *Airport Carbon Accreditation* Program, the airports shall possess all the documents underpinning the carbon footprint calculation, independently verified in line with the requirements of ISO 14064 by one of the reviewers accredited and approved by the program administrator.

CN “Aeroporturi București” possesses:

- Certificate for the accreditation of Bucharest - Henri Coandă International Airport in the ACI Program - Airport Carbon Accreditation, *Level 3 – Optimisation*;
- Certificate for the accreditation of Bucharest Băneasa - Aurel Vlaicu International Airport in the ACI Program - Airport Carbon Accreditation, *Level 2 – Reduction*.

Through its energy-related and carbon management policy, CN “Aeroporturi București” has undertaken to verify and set forth on a yearly basis carbon emission reduction targets, for the ultimate purpose of becoming carbon-neutral in 2025 for Henri Coandă International Airport, and in 2030 for Bucharest Băneasa - Aurel Vlaicu International Airport, respectively.

PRESIDENT OF THE MANAGEMENT BOARD

Signature,