

ACTIVITY REPORT

for 2019





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operator of Belgrade Nikola Tesla Airport

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Francois Berisot

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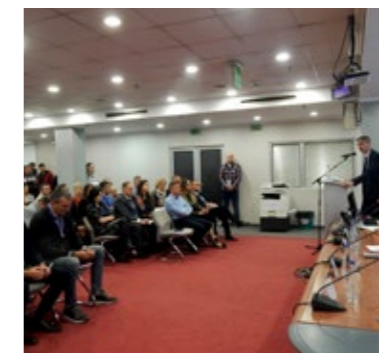
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History of Belgrade Nikola Tesla Airport

Belgrade Nikola Tesla Airport is recognizable as a regional hub due to its location at the crossroads between East and West, directly connecting region with other continents through a developed network of destinations, for almost 60 years.

Belgrade airport story dates back in 1910, and the first airfield located in the suburb of Banjica, followed by the airfields at Kalemegdan, Pančevo and Bežanijska kosa, which all preceded the airport at its present location. In the first years of Belgrade's development and reconstruction following the Second World War, the construction of a modern airport became a social and economic priority.

The airport was planned as an intercontinental hub, with two main runways and a corresponding superstructure that will provide the adequate functions for an international airport of the highest quality.

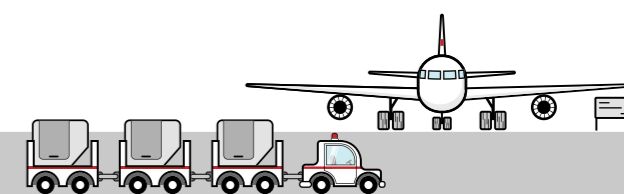
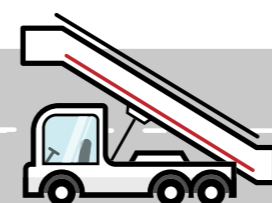
The first conceptual design of the new airport was made by experts from the Urban Institute of Serbia, led by architect Nikola Dobrović, and the realization was taken over by the Civil Aviation Administration, led by engineer Miloš Lukić. It is interesting to note that a public competition was announced for the project of the terminal building, and the first prize was shared by a group of five young architects.

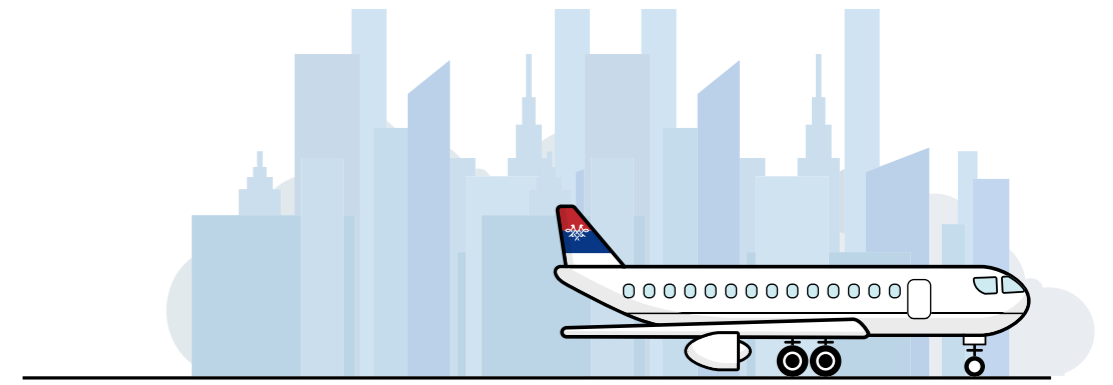
The preliminary design of the telecommunications was made by experts from the Paris airport. All other projects were executed by local experts, and the works were performed by domestic companies.

The construction of the new airport, on the current location, began in April 1958. The airport was opened for traffic on April 28, 1962. It had one runway 3,000 meters long, whose usability in relation to the wind was 99.6%, a taxiway length of 3,350 meters, concrete aprons enabling handling of 16 aircraft simultaneously, a terminal building of 8,000 m² for passenger handling, a cargo warehouse, a control tower equipped with the state-of-the-art navigation equipment. with the state-of-the-art navigation equipment - ICAO.

Today, Belgrade Nikola Tesla Airport is among the few in the region with scheduled intercontinental flights. Scheduled long-haul flights were daily operated from Belgrade Airport until 1991 while another milestone was set on June 23, 2016 when the national carrier Air Serbia re-established its intercontinental services by introducing scheduled direct flights to New York.

On December 22, 2018, when VINCI Airports officially took over the management of Belgrade Nikola Tesla Airport, new chapter in the history of the largest and the oldest airports in Serbia begun.





Concession of Belgrade Nikola Tesla Airport

The beginning of a new journey

The Republic of Serbia has granted VINCI Airports an agreement on a twenty-five-year concession for financing, development through construction and reconstruction, maintenance and management of the infrastructure of Belgrade Nikola Tesla Airport. Following the signing of the Concession Agreement between VINCI Airports, VINCI Airports Serbia Ltd, the Government of the Republic of Serbia and Airport Nikola Tesla Belgrade JSC, on March 22, 2018, and after transferring the airport operator's certificate from Airport Nikola Tesla Belgrade JSC to VINCI Airports Serbia d.o.o, the concessionaire took over the operational management of the airport on December 22, 2018.

VINCI Airports Serbia Ltd, founded by the parent company VINCI Airports, which has changed its name to BELGRADE AIRPORT Ltd on July 23, 2019, will manage Belgrade Nikola Tesla Airport for the next 25 years. During that period, extensive international experience and good practice of VINCI Airports will be applied, aiming to, by the end of the concession period in 2043, enable Belgrade Nikola Tesla Airport infrastructure capacity to handle 15 million passengers per year.

The entire design of modernization, reconstruction and expansion, within the concession project, aims to make the processes of passenger movements and their stay at the airport more efficient and comfortable, as well as to significantly improve the level of service and content provided.

Most of the works will be performed in the next four years, including the expansion of the terminal, construction of inserted runway and taxiways, additional positions for aircraft parking, a new aircraft de-icing and anti-icing pad, additional car parking areas and new access roads.

The ultimate goal is to strengthen the position of Belgrade Nikola Tesla Airport as the leading airport in the region.

During 2019, the first full year of the concession, the main focus of BELGRADE AIRPORT Ltd as a Concessionaire, was to overtake activities of the airport operator in a smooth yet safe manner, prepare necessary documentation for the construction and investment cycle and establish appropriate relationship with all relevant stakeholders (institutions, airlines, other airport users etc), with a specific focus to the representatives of the Grantor appointed by Airport Nikola Tesla Belgrade JSC and the Government of the Republic of Serbia, through special and regular meetings, consultations, correspondence and reporting, in order to be able to jointly and adequately monitor implementation of both sides obligations and objectives set out in the Concession Agreement.

VINCI Airports



VINCI Airports, as the leading private airport operator in the world, manages the development and operation of 45 airports located in Brazil, Cambodia, Chile, Costa Rica, the Dominican Republic, France, Japan, Portugal, Serbia, Sweden, the United Kingdom and the United States. Served by more than 250 airlines, VINCI Airports' network handled 255 million passengers in 2019.

Through its expertise as a comprehensive integrator, VINCI Airports develops, finances, builds and operates airports, leveraging its investment capability and know-how to optimise the management and performance of existing airport infrastructure, facility extensions and modernisation projects.

In 2019, its annual revenue for managed activities amounted to €4.9 billion, for a consolidated revenue of €2.6 billion.

www.vinci-airports.com



BELGRADE AIRPORT LTD Operator of Belgrade Nikola Tesla Airport

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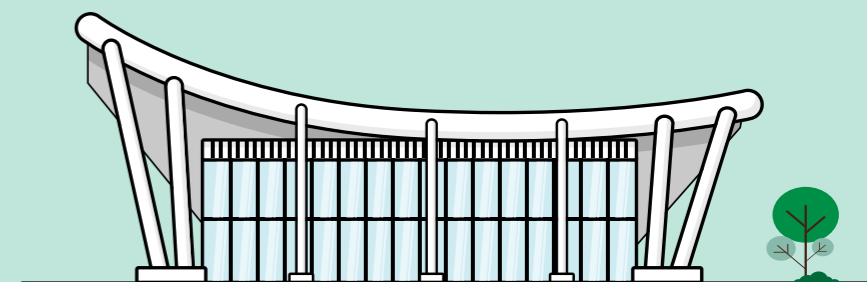
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Introduction

**Francois Berisot,
Chief Executive Officer**



Francois Berisot



The process of business transformation envisages creating a more agile and efficient organization, as well as the qualitative improvement of skills and knowledge within the company, in order to comply with new business needs and the strategy of future sustainable development of the airport.

December 22, 2018 marked the beginning of a 25-year concession for Belgrade Nikola Tesla Airport and VINCI Airports. During the first year of operation, our company BELGRADE AIRPORT cooperated intensively with the Government of the Republic of Serbia, as well as other partners, associates and institutions, in order to ensure the process of transferring all functions and activities of the airport efficiently and safely.

In 2019, Belgrade Nikola Tesla Airport reached a significant milestone in business operations, welcoming its 6 millionth passenger in December. During 2019, 33 airlines operated from Belgrade Nikola Tesla Airport, to 99 destinations on 4 continents.

Approximately 6.2 million passengers, 70,365 aircraft movements and about 21.5 thousand tons of goods and mail were handled. In 2019, Air Serbia introduced 9 new routes and re-established flights to Istanbul, Wizz Air introduced the flights to Lyon, ASL Airlines a flight to Paris, and after 6 years, Air France re-established flights to Paris.

The connection with the values and culture of the parent company represents a solid foundation on which we build professional development and plans for individual development and advancement. During 2019, Belgrade Nikola Tesla Airport has adopted the standards applied by VINCI Airports across its airport network, thus continuing to aspire to align with the activities of the parent company in all segments of its operations and activities.

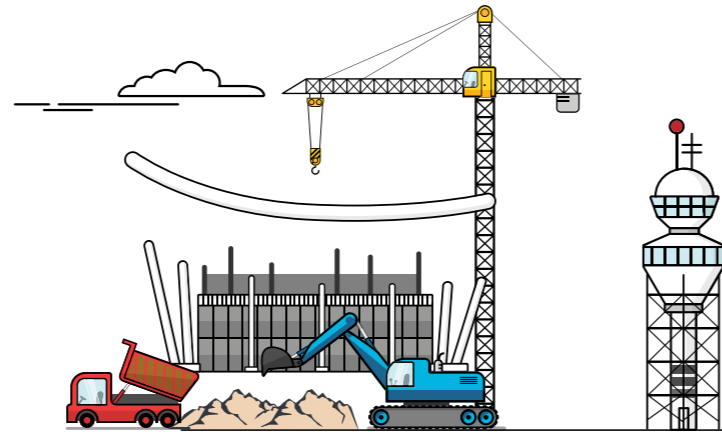
The process of business transformation envisages the design of a more agile and efficient organization, as well as the qualitative improvement of skills and knowledge within the company, in order to comply with new business needs and the strategy of future sustainable development of the airport.

Having in mind the best practice of VINCI Airports in all markets, BELGRADE AIRPORT has, in 2019, decided to improve working status of a great number of its employees and plans to continuously invest in their development and professional education.

In parallel with these processes, during 2019 BELGRADE AIRPORT and its main contractor VINCI TERNA CONSTRUCTION JV teams have worked on preparing designs and technical documentation, as well as strategic documents required to obtain construction and other permits necessary for further development of the infrastructure of Belgrade Nikola Tesla Airport.

Our goal is to provide our passengers, customer airlines and business partners at Belgrade Nikola Tesla Airport with the highest operating standards, comfort, safety and overall positive experience, with improved airport services in all segments.

A handwritten signature in black ink, which appears to read 'Berisot', written over a horizontal line.



Works on modernization and expansion of the Airport

In 2019, BELGRADE AIRPORT Ltd developed, and the Government of the Republic of Serbia adopted, the Master Plan for the development of airport infrastructure included in the Concession Agreement.

Based on that document, the Draft of the Detailed Regulation Plan was further prepared, as a document providing plans for the development of the wider Airport area, in accordance with the applicable legal framework.

The scope and ambition of the Detailed Regulation Plan is wider than only the Airport Master Plan and the developments envisaged in the concession project. This document is however a precondition for the realization of the largest part of the investments in the expansion and modernization of Belgrade Nikola Tesla Airport, which have been anticipated by the Concession Agreement, but were not envisioned by the existing planning act.

In order to prepare for a very ambitious investment cycle, certain preparatory works were carried out, temporary changes were made to the facilities, while at the same time thorough and coordinated communication with partners, competent authorities and users was carried out.

The most extensive works are expected to be carried out over the next four years. These include, among other things, the expansion of the terminal, a new runway and additional taxiways, additional aircraft parking positions, a new de-icing and anti-icing pad, additional car parking spaces and new access roads.

In this first phase of development, BELGRADE AIRPORT Ltd will focus strongly on environmentally sustainable business, in accordance with the strategy developed by VINCI Airports throughout its network. The plan is to build a new energy plant for the production and distribution of heat and electricity, which will switch from heavy fuels to more environmentally efficient energy sources and reduce emissions. A solar plant for electricity production is also planned, as well as a waste-water treatment plant, processing water from the entire concession infrastructure.

At the end of 2019, works were performed on the runway, manoeuvring areas and parking positions, aiming to maintain the manoeuvring areas at the highest level of quality. Work operations performed on the parts of the taxiway that could have interfered with the traffic flow, were conducted strictly during the night hours, thus the planned works did not affect the scheduled air traffic. The applied repair method for this zone is the "scrape and return" solution, and the works were performed continuously and completed within 105 hours. Maintenance of the manoeuvring areas on the taxiway C was planned in order to improve the value of the pavement condition index.



Customer care

At Belgrade Nikola Tesla Airport, in line with best VINCI Airports practices, we put customers in the centre of all our activities. During 2019, a lot has been made to enhance the quality of services, operational efficiency, comfort, safety and overall ambience for all our passengers, airlines and partners.

BELGRADE AIRPORT enabled free, unlimited Wi-Fi access to all passengers that perfectly accommodates their need for connectivity while travelling. Same as in other airports in VINCI network, passengers can surf on the web for free from the moment they arrive at the airport until it is time to board their flights.

Energy efficient LED bulbs were placed in the garage and in the major part of the Terminal building, replacing classic lightning. That way, apart from energy savings and lower CO₂ emissions, better brightness of the space was achieved.

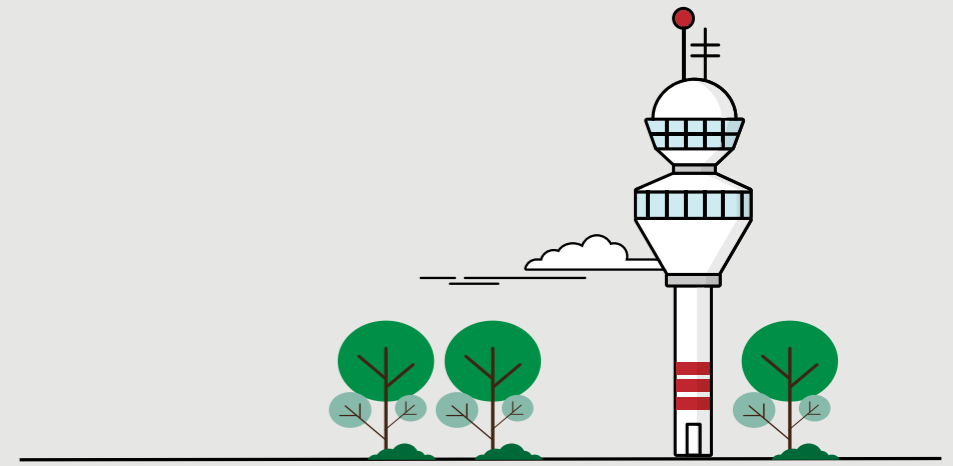
New air conditions systems were installed in the Pier A gates, making waiting for boarding more comfortable for passengers. Renovation of several toilets within T1 and T2 area was finished, and they are now designed and equipped in accordance with recognizable VINCI standard across its network, in terms of materials, colours and textures. Completely new ventilation system was also built in.

At BELGRADE AIRPORT, we put a lot of attention on constant further improvement of operational efficiency, ground handling and overall safety. New automatic doors at the entrance to Terminal 1 now enable faster and more efficient evacuation in cases of emergency. Ground handling services and safety are enhanced by purchasing new technical equipment and vehicles such as those for de-icing and foreign object debris removing from manoeuvring areas.

Regular further improvements in the quality of overall service for all airport's users will continue to be our priority also in the years to come.



Overview of the most significant activities in 2019



EMPLOYEES DEVELOPMENT

What makes the team special is the ability to face all challenges and achieve goals in the best interest of the company and employees. For BELGRADE AIRPORT, success is more than just a business model and an economic indicator. Real success is success shared by employees. Belief in human values represents a key, because people are regarded as the most valuable asset. Encouraging employees to socialize and exchange experiences, further educate and freely express their ideas, are all part of the BELGRADE AIRPORT company culture.

Part of the company's work culture is the exchange of experiences and improvement of knowledge within the VINCI Group, the possibility of advancement and internal mobility, training and development.

Number of employees

As of December 31, 2019, there were more than 2,000 employees and staff engaged at BELGRADE AIRPORT. The age structure shows that more than 60% of employees are between 21 and 40 years of age, i.e. that the largest number of employees is between 31-40 years, representing 33.19%, while 28.37% of employees are ages 21-30. Statistically, out of the total number of employed and persons engaged, 65.80% are males, while 34.19% are females. When looking at the management staff, the similar proportion is displayed, where almost a third or exactly 29.6% are women.

Improving the working status of employees and work engaged staff

In 2019, the employment status of employees and work engaged colleagues has been improved, and almost 500 colleagues gained greater certainty and stability in regard to their employment status which included better employment rights and conditions under the Law and in accordance with our Collective Agreement.

The goal is to further improve labour and legal status and working conditions, improve the working environment and invest in the development and professional education of our employees.

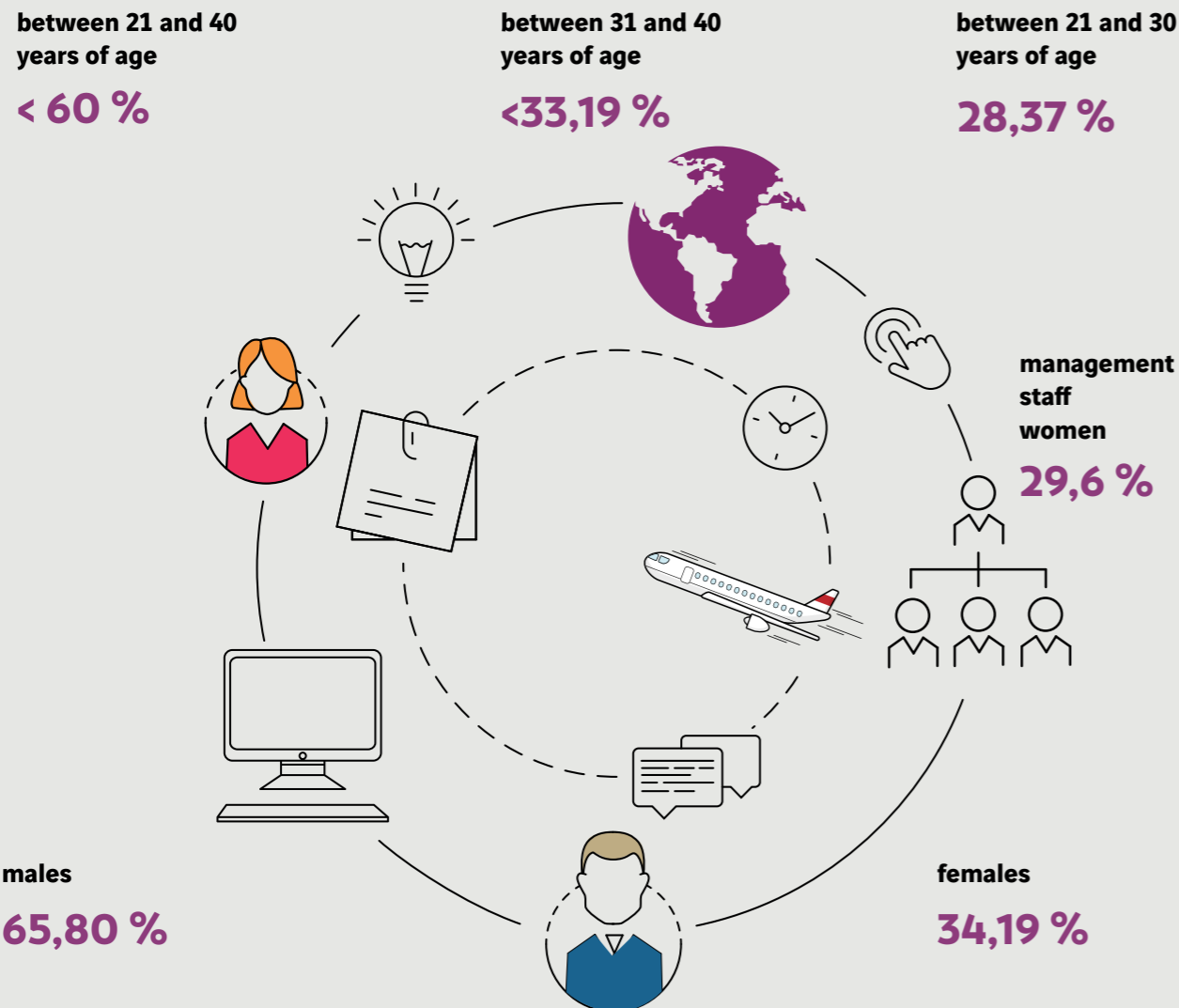
In 2019, a software was implemented in order to precisely plan the required resources and work schedule in operational services, which depends primarily on the level of air traffic and the flight schedule of airlines.

Employee trainings

Trainings in the field of ground handling services, manoeuvring areas control, facilities and airport installations, rescue and fire protection activities at airports, fire protection, aviation security, air traffic safety, transport of dangerous goods, are just some of trainings held during the year, which were attended by the equivalent of 5,499 participants.

Occupational health and safety at work

Occupational Health and Safety is the absolute priority and responsibility of all managers of the VINCI Group. The management of BELGRADE AIRPORT also recognizes the importance of safety at work and care for its employees, which is why the company undertook a number of activities, while encouraging employees to report the possibility of injury in the workplace and to identify risky work activities in a timely manner. During 2019, numerous trainings, lectures, exercises, medical examinations were organized. The Risk Assessment Act was passed and the Occupational Health and Safety (OHS) Board was established, which will significantly improve the OHS activities in the company in the upcoming period.



Overview of the most significant activities in 2019

QUALITY AND ENVIRONMENTAL PROTECTION

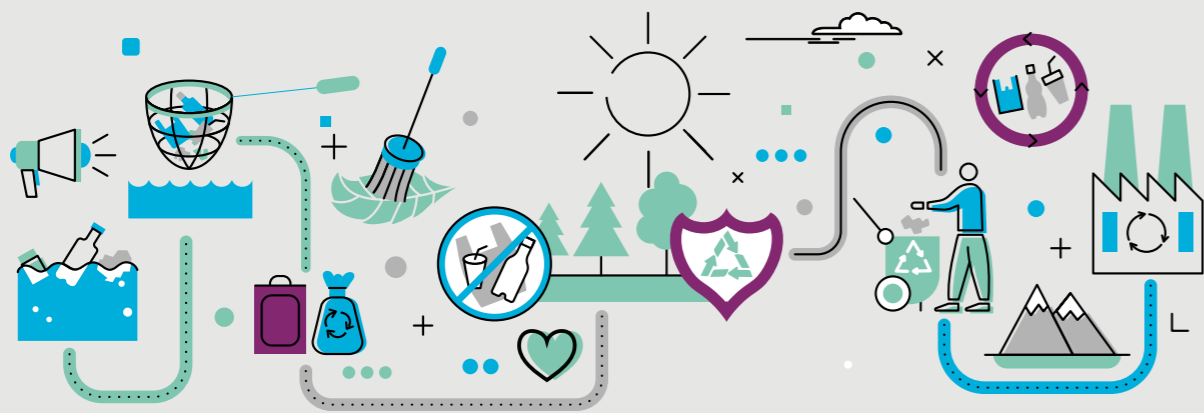
BELGRADE AIRPORT is ISO 9001 certified. As a service provider, we measure the satisfaction of our customer with the services provided, through the participation in the ACI ASQ program, as well as by monitoring and processing customer requests, inquiries and complaints through the Customer Care sector.

ACI ASQ - BELGRADE AIRPORT is a member of Airport Council International Airport Service Quality program since the last quarter of 2019. One of the main advantages that Belgrade Nikola Tesla Airport has gained by being a part of the program, is the possibility of comparing the airport and its features with other airports worldwide according to a number of criteria.

The overall assessment of passenger satisfaction with the services of Belgrade Nikola Tesla Airport, in the period over the last quarter of 2019, is 4.01 out of a maximum of 5, thus taking 18th place out of 36 airports that are in the category of 5 to 15 million passengers per year in Europe.

Re-certification - In September 2019, the first supervisory verification of certificates according to the standards ISO 9001: 2015, ISO 14001: 2015 and OHSAS 18001: 2007 was held. The airport had passed the supervisory check, during which all systems and processes were evaluated, and no inconsistencies were found.

Environmental protection - Initiatives launched in 2019 include the preparation and implementation of the Study on the use of pesticides at the airport, the management of hazardous substances, the installation of an automatic system for chlorination of drinking water and adjustment of pH, the procurement of hazardous waste containers, an energy audit was performed, the process of establishing LED lighting began, and a balanced approach to aircraft noise management is underway.



World Environment Day



Health and Safety Week



Overview of the most significant activities in 2019

THE MOST SIGNIFICANT EVENTS DURING 2019

Takeover event

VINCI Airports marked the beginning of its business activities in Serbia and the initiation of the 25-year concession of Belgrade Nikola Tesla Airport, on February 13, in the presence of Ana Brnabić, Prime Minister of the Republic of Serbia and Nicolas Notebaert, the CEO of VINCI Concessions and the President of VINCI Airports, accompanied by state representatives, the diplomatic corps and representatives of the business community. Entitled "Lighting Your World" relating to Nikola Tesla's legacy and the VINCI Airports slogan "Opening Your World", the event included speeches, animation and videos celebrating the joint commitment of VINCI Airports and Serbia to make the airport a modern reflection of Serbia's future, to support the country's development and its connection with the rest of the world.

Representatives of the Executive Board of VINCI Airports met with employees at the airport and presented future plans to all airport managers.

Return of Air France

After a 6-year break, Air France reconnected Belgrade and Paris with daily flights from Charles de Gaulle Airport in Paris, in the presence of Nicolas Notebaert, CEO of VINCI Concessions and President of VINCI Airports, representatives of Air France and the media.

Smiling Day

VINCI Airports' company event, which emphasizes the commitment to providing quality service to passengers, was held on April 5. The event was organized on the same day at almost all airports in the VINCI Airports network. Airport employees, in addition to their daily activities, socialized and interacted with passengers, actively creating, through numerous programs, a welcoming atmosphere. The goal of the event is to emphasize the importance of the specific culture and region in which the airport is located as another key component representing VINCI Airports' business strategy.

World Environment Day

World Environment Day was held on June 5, by presenting the company's future plans and projects to the local public, management and employees of the Airport. The main topics addressed were air pollution and the general strategy for environmental improvements, together with planned improvements in the areas of noise, water and waste management, energy efficiency, biodiversity, greenhouse gas emissions, investment activities, stakeholder involvement, environmental and social monitoring and continuous improvement. All these topics are a part of the company's environmental and social policy.

BEG Runway Run

The night race on the runway has become a real attraction among domestic and foreign athletes, as well as among our employees for whom running is a hobby. On the night between June 8 and 9, 2019, the second BEG Runway Run was held, organized by the Belgrade Marathon and Belgrade Nikola Tesla Airport, under the auspices of the City of Belgrade. In the remarkable atmosphere, this unique and memorable event was held, with the participation of top competitors from Serbia and about 1000 athletes from the country and the region.

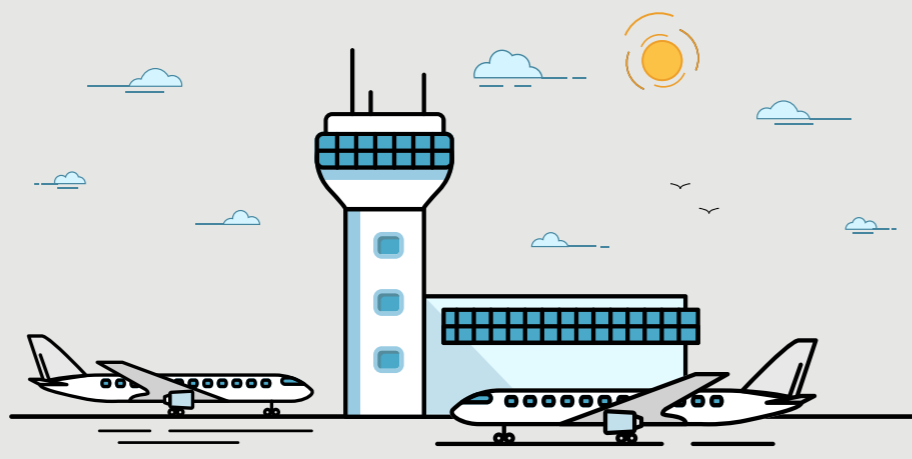




The President of the French Republic, Emmanuel Macron, and the President of the Republic of Serbia, Aleksandar Vučić, at the airport - On July 15, at the highest state level, the project of airport modernization was officially launched in the presence of presidents of the two countries. The event was attended by the President and CEO of VINCI, Xavier Huillard and the President of VINCI Airports and CEO of VINCI Concessions Nicolas Notebaert.

Health and Safety Week - For the first time, Belgrade Nikola Tesla Airport has joined the Health and Safety Week, which is an event traditionally commended at all airports that are part of the VINCI Airports network. In the period from November 4 to November 9, lectures, presentations and exercises in the field of health and safety at work, prevention of injuries, life-saving measures and emergency assistance were organized for the employees. Elevation work - work at heights and work performed in limited and small space, was also demonstrated.

Spotters Day - The first Spotters Day at Belgrade Nikola Tesla Airport was organized on November 16, for almost 40 fans of aviation and photography. By organizing this event, Belgrade Nikola Tesla Airport has joined 22 airports from the VINCI Airports network that hosted spotters and provided them with a unique opportunity to take an organized peek behind the scenes of the airport and take exclusive photos.



Spotters Day

Emergency Response full scale exercises

Joined Emergency Response exercise with the Ministry of Interior, Belgrade Police, Special Anti-Terrorist Unit was held on March 27th with 3 different scenarios. 15 volunteers from the Airport participated in the exercise. Emergency Response center (ERC) was activated and all activities were coordinated through ERC. Belgrade Nikola Tesla Airport medical team also participated in the exercise.

A joint **Search and Rescue Exercise SAREX 38-19** was organized by the Civil Aviation Directorate of the Republic of Serbia on September 17th. The Ministry of Interior, the Ministry of Defense, the Ministry of Health, SMATSA, Serbia's Clinical Center, Military Medical Academy, the Red Cross, the Mountain Rescue Service and several Departments of Belgrade Nikola Tesla Airport, including Rescue and Firefighting Service, took active part in the exercise. The exercise covered a night scenario of rescuing passengers from aircraft and the care of the passengers, both on site and in on-call medical facilities. The Emergency Response Center (ERC) was activated and all activities were coordinated through ERC. The exercise also included a medical team from Belgrade Nikola Tesla Airport.



SAREX 38-19



SOCIALLY RESPONSIBLE BUSINESS

Corporate Social Responsibility - Determination of BELGRADE AIRPORT Ltd to make corporate social responsibility an obligatory part of business performances, is the result of the desire to contribute to the community in which business activities are conducted and in which the company plays an integral part. Socially responsible business activities are aimed at supporting those in need, advertising culture and promoting Serbia, for environmental protection and promotion of healthy values.

In 2019, the following actions were realized:

Cap for handicap - On December 18, BELGRADE AIRPORT joined the activity under the patronage of the Cap for handicap Association. Boxes for collecting plastic bottle caps were installed in the terminal, so that they would be accessible to passengers, service users and employees. The event had a positive impact on raising awareness to the needs of people with disabilities, while supporting plastic recycling and environmental concerns.

Action of collecting books from employees - A Protocol on collaborations was signed with Adligat, the Association for Culture, Arts and International Cooperation, and a campaign was launched for employees on May 17, during which 200 books were collected and distributed by the Association to institutions in need.

Race of Hope - In cooperation with the Association of Citizens "Pulmonary Hypertension of Serbia", on May 25, and a "Race of Hope" was organized aiming to help patients suffering from this disease, in which the representatives of the company took part.



Race of Hope



The most important TRAFFIC INDICATORS FOR 2019

During 2019, 33 airlines operated from Belgrade Nikola Tesla Airport to 99 destinations on 4 continents. In the period from January 1 to December 31, Belgrade Nikola Tesla Airport recorded the following performance:

70,365
air operations

6,158,897
passengers

21,428,158
kilograms of
cargo and mail



6-millionth passenger

One of the most significant anniversaries and compelling business milestones in its 57-year history, Belgrade Nikola Tesla Airport marked on December 20, 2019, when we welcomed our 6-millionth passenger. In cooperation with Air Serbia, our record passenger was awarded with two return business class tickets to New York.



SCOPE OF AIR TRAFFIC

Type of air traffic	Realization 2019.
Domestic air traffic	
Air operations	389
Passengers	41
Cargo and mail (kg)	6.004
International air traffic - domestic carriers	
Air operations	36.218
Passengers	2,733,304
Cargo and mail (kg)	5,727,904
International air traffic-foreign carriers	
Air operations	33.758
Passengers	3,425,552
Cargo and mail (kg)	15,694,250
TOTAL	
Air operations	70.365
Passengers	6,158,897
Cargo and mail (kg)	21,428,158

New destinations inaugurated or re-established in 2019:

Kiev (Air Serbia), Madrid (Air Serbia), Barcelona (Air Serbia), Rijeka (Air Serbia), Krasnodar (Air Serbia), Helsinki (Air Serbia), Cairo (Air Serbia), Nice (Air Serbia), Zadar (Air Serbia), Istanbul (Air Serbia), Paris (Air France and ASL Airlines), Lyon (Wizz Air)

New airlines in 2019:

Air France and ASL Airlines



Air France



Air Serbia