



Securing new horizons

2019 ANNUAL REPORT

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Nice to guide you

skeyes ensures the safety and efficiency of air traffic in Belgium 24/7. The skeyes air traffic controllers manage over 3,000 aircraft every day, which makes up over one million flight movements per year. The autonomous public company is active at the heart of Europe, in one of the busiest and most complex sections of airspace of the continent.

skeyes is active at Brussels Airport and at the airports of Antwerp, Charleroi, Kortrijk, Liège and Ostend. Thanks to its CANAC 2 control centre skeyes manages the flight movements above Belgium and a part of Luxembourg up to an altitude of 7,500 metres.

The company relies on its nearly 900 experienced staff members who are at the service of their customers: airline companies, airports, the aviation sector and the authorities. skeyes also develops innovative services with regard to drones and contributes to a sustainable future of the aviation sector, among other things with respect to the environment.

skeyes is a member of FABEC, a joint airspace block (Belgium, Luxembourg, the Netherlands, Germany, France and Switzerland) with the aim of improving air navigation efficiency in the heart of Europe in the framework of the Single European Sky.

SKEYES SITES



KEY FIGURES 2019



1,081,281
flight movements
managed by skeyes



-1.8%
growth of air traffic
compared to 2018



891
number of employees
as on 31 December 2019



94.4%
of flights were handled
punctually by skeyes in
2019



245.2
millions of euros
turnover



10.9
millions of euros
investments by skeyes

OUR VISION

PRESIDENT AND CEO SPEAKING

skeyes nice to
guide
you

skeyes nice to
guide
you

ACCORDING TO YOU, WHAT WERE THE MOST IMPORTANT ACHIEVEMENTS OF SKEYES IN THE LAST 5 YEARS?

Johan Decuyper: The basis of everything is our healthy financial situation. In 2013, Belgocontrol recorded a consolidated loss of € 60 million. We have completely eliminated these losses from the past. For the sixth year in a row, skeyes is profitable.

In terms of staff, we made up for lost time, which was long overdue. From around 750 employees in 2014, we will be exceeding 900 by the end of this year. We continue to strengthen the number of air traffic controllers, but we are also looking for other profiles: technicians, IT staff, administrative staff,... In 2018, in order to maximise recruitment and to continue to guarantee a high level of training, we entered into a joint venture with Entry Point North, a Scandinavian academy of aeronautical professions: air traffic controllers, engineers, meteorologists, aeronautical experts,... In our own training centre Entry Point North Belgium - among other things equipped with brand new simulators - (candidate) air traffic controllers and technicians follow basic training as well as refresher, conversion and development courses. We also train students from other countries.

We also started investing again. In recent years we have improved, adapted or newly purchased systems and technical installations at and around all our airports: communication, navigation and surveillance installations, landing systems, meteorological installations, networks... All this is mainly done by our own technical people. Between 2015 and 2019, we completed an investment programme of € 100 million. Investments are also planned for the coming years. We will continue to closely monitor developments in our sector.

All this is of course aimed at further improving the service we provide to our customers. It is not a magic word, far from it, but in recent years we have put a great deal of

effort into cooperation within the aviation sector: joint ventures, spin-offs, preferential cooperation contracts,... The former stand-alone strategy was no longer possible and desirable and works less efficiently than when you have partnerships. skeyes comes a long way in that respect. We now have close and fruitful contacts with airports and airlines. We are working with them in the longer term. We want to be a high-performance, reliable partner for them with a good ratio between the quality and comprehensiveness of our service and its cost price. And we are on the right track: over the past few years, we have achieved excellent results in terms of safety and punctuality.

We were able to improve this punctuality, among other things, through cooperation with the Defence air traffic control service. Thanks to their arrival at the Steenokkerzeel site, military airspace can be used much more efficiently for commercial air traffic when it is not in use.

But the toughest exercise was that of adapting the internal structure and functioning, which were unsuited for the future and too voluntary. It took an enormous amount of change management to make an organisation that hadn't changed for 20 years future proof. Habits and achievements were questioned and adapted to the new era in order to provide an even better service but also to achieve a better work-life balance for our employees.

Renaud Lorand: We have reinvented and reorganised skeyes in recent years, opening up more to the outside world as well. A new vision and mission came into being and was systematically rolled out. A lot of organisational adjustments were made and the service was greatly improved. This gave us a lot of credit with our customers, which resulted in much better cooperation and mutual

understanding. The foundations for a fruitful future have been laid.

We did this in a very planned, targeted and efficient way. We drew up the strategic five-year plan 2014-2019 and followed up its elaboration. We looked closely at the implementation of the third management contract with the federal government. And, of course, there were the objectives that we set and pursued together with our partners in European partnerships.

The most concrete was the strategy that was developed in cooperation with all skeyes employees: Partner with our Customers, Partner with our People and Build a future-proof company.

All skeyes' efforts in recent years have been aimed at providing an even better service to our customers: airports and airlines. For them, our service provision is a crucial link in continuing to meet the challenges they face. The mindset at skeyes has completely changed: where we used to assume too easily that they could not do without us anyway, we are now thinking, together with our partners, about how we can keep aviation as strong as possible in our country. This is also in our own interest: the forthcoming liberalisation of air traffic control services will create competition within our own sector. The preservation

and acquisition of airspace and the provision of related services beyond national borders will be a challenge for ANSPs in the future.

But also in other areas of our operations skeyes focused on partnerships. Our collaboration with Defence leads to a more efficient use of airspace and to essential operational synergies; our EPNB training centre already achieved the hoped-for successes in its first year of operation, thus confirming the Steenokkerzeel site as a strategic basis for our training courses, where we can continue to offer state-of-the-art training to our air traffic controllers, among others; we play a leading role within FABEC and at European level.

All these achievements would not have been possible without the dedication, professionalism and expertise of all employees at skeyes. Their input in setting up and realising many of these projects has been invaluable. It is therefore only right that the new strategy should pay more attention to personnel policy than in the past. The changes that the company underwent have, of course, also brought with them uncertainty. It is logical that this caused some doubts and even tensions, but thanks to an open dialogue, solutions were always found in the interests of the company and the employees.

WHAT DO YOU THINK WERE THE MAIN ACHIEVEMENTS OF SKEYES IN 2019?

Johan Decuyper: Over the past few years, we have modernised and professionalised the company's operations in just about all areas. Financing was put in order, we invested and recruited again and all procedures and processes of the core business were reviewed and adjusted where necessary to improve operations. In 2019, all these efforts came together and the circle was - for the time being - complete.

An important trigger for the internal functioning was the social agreement on staff's non-operational status in 2016. Since then, management and trade unions have succeeded in concluding several social agreements on difficult issues that have sometimes been dragging on for years and that have made it more difficult for the company to operate. Major steps forward were taken, certainly for the operational services, which improved the internal organisation and benefited customer service.

A final threshold was taken last year with the new planning mechanism for the operational services. The system that

has been in place since February 2020 complies with all the legislation and regulations in force, including those concerning fatigue management, and ensures that management is always sure that a sufficient number of air traffic controllers is present to guarantee service provision. It means a better work-life balance for air traffic controllers: they know in advance when to start work and can better plan their agenda.

skeyes is fully aware of its social role and is ever-increasingly assuming it. We work together with other actors in and around airports to minimise the impact of our sector on our environment. We communicate very transparently about our operations with the residents around the airports and other bodies involved.

In our own company as well, we pay attention to the environment and developments in the world around us. Corporate Social Responsibility does not remain a dead letter at skeyes: according to a concrete action plan we take



Johan Decuyper, CEO

all kinds of initiatives to help achieve the United Nations' Sustainable Development Goals.

Renaud Lorand: In 2019 we continued to prepare the future of skeyes. We drew up the new five-year plan in which we outlined the strategic lines for the company. The value of such a plan should not be underestimated. It reflects the interests and expectations of all our stakeholders and our own commitments to governments and determines how we will meet them in the interests of all parties involved but, of course, also in the interests of the company itself.

We also submitted a timely proposal for the fourth management contract to the federal government. The successful completion of the third management contract not only laid a solid foundation for skeyes' future, but is also an additional asset in the discussions of the fourth management contract with the political leaders.

Our expectations of the political world were also brought together in a Memorandum that was handed to all political parties.

In recent years, skeyes has shown that we take our social role very seriously. In 2019 that commitment took further shape. Air traffic control is a crucial link for aviation. Airports and airlines count on us to guarantee the safety of air traffic, but also to make optimal use of capacity at airports and in the airspace. This is important not only for their operations but also for the attractiveness of the whole sector in our country. With the advent of a Single European Sky, self-management of one's own airspace is an asset that we must not relinquish. Aviation remains one of the most important economic pillars of our country and we must do everything we can together to ensure that this will continue to be the case even after the health crisis.

For skeyes, however, it is not only economic interests that count. We take into account the impact of our sector on our environment, both in the vicinity of airports and far beyond. We take all possible measures to minimise the impact of air traffic, together with our partners in the sector. Together with them, we discuss possible additional initiatives and, if necessary, elaborate them. And within skeyes we also pay attention to sustainability, in all areas. Under the heading of Corporate Social Responsibility we



combine all projects that contribute to making skeyes a socially responsible company."

And in 2019, the most tangible change was certainly the physical installation of Semmerzake's military air traffic controllers in our CANAC operations room, another step in bringing our two organizations closer together.

HOW DID YOU PREPARE SKEYES FOR THE FUTURE?

Johan Decuyper: Today skeyes is a healthy company, a modern and customer-oriented service provider. We are more than ever fulfilling our role as the focal point for the aviation sector: those who use the Belgian airspace call on our services. That is why we are working on an ever better and continuous service, in consultation with our customers. On the basis of their input and in joint consultation, we will discuss what can be done better and how we can tackle this together. Innovation and state-of-the-art technology play their part in this.

But of course the work is not finished, it never is. We have to constantly reinvent ourselves to remain a competitive player in an international and changing environment.

Various developments are coming our way. The liberalisation of air traffic control, the Single European Sky, the particularly rapidly evolving technology, the enormous potential for data management, the introduction of commercially operated drones, the digital towers that are in use everywhere: All this brings about a profoundly disruptive turn of events. For the time being, skeyes still has a monopoly on its activities, but it now has to find an effective response to these disruptive developments in aviation in the very short term. We see them as opportunities that we want and are able to fill.

The airspace above Belgium is limited but very complex. Thanks to our expertise and our staff, we succeed in managing the air traffic in our airspace very well. We make

very efficient use of that airspace. But the international battle for airspace and air traffic control services is raging: several European air traffic controllers are already active in other countries. The imminent liberalisation of the market will speed up and strengthen that process. Europe is working on a Single European Sky, a unified European airspace that can be used as efficiently as possible. National air traffic controllers are doing everything they can to maintain and expand their place in that airspace. Managing one's own airspace - or more airspace - is important not only for the survival of the company but also for the entire aviation sector of a country. Together with the Belgian Civil Aviation Authority (BCAA), Defence and EUROCONTROL MUAC, we want to keep Belgium's airspace attractive and manage it domestically. The Air Space Vision 2030 - that is the name of the project - increases the capacity of our airspace, ensures the fluidity and safety of air traffic and gives us a head start in the international race for airspace.

We are continuing along the path of innovation. SkeyDrone, the subsidiary of skeyes that specialises in drones, will take up its role in the aviation landscape. We are truly a forerunner in this field, which is being taken into account internationally, for example, by the European Union when drawing up the new regulations.

skeyes itself invests heavily in the development of safe drone traffic. We are further professionalising our drone app, which collects all the information needed for drone flights.

Digital towers mark the future of air traffic control at airports and are already being built here and there in Europe. Digital control towers consist of a remote control centre and cameras at the airports (instead of the lookout point of the classic control towers). From digital towers, air traffic control services can be offered at various airports

from a single control centre with even increased aviation safety thanks to augmented reality. We are working on the creation of digital towers for the six airports where we operate. A tender has been launched and, on the basis of the proposals that specialised firms will submit, we will consider which solutions are the best, both in terms of locations and technology.

We are continuing to focus on research. We have a number of collaborations with various institutions that carry out research into certain aspects of our operations, including Living Tomorrow but also various universities. They have already produced interesting results. This encourages us to continue these collaborations and to launch new investigations with other institutions specialising in certain subjects.

Renaud Lorand: This Board of Directors took office at a difficult but extremely fascinating time for skeyes. The challenges we faced were unprecedented. In far from evident circumstances, we set out the strategic lines for the company for the coming years. That is the role we are expected to play.

I referred earlier to the strategic plans and projects that we were able to help shape. The financial challenges, investments, human resources, social agreements, etc., ... The innovation policy as well, which has led to the creation of our subsidiary SkeyDrone and the launch of the digital control tower concept.

In hindsight and taking into account the health crisis linked to COVID-19 and its very heavy repercussions on our sector, I would say that the continued improvement of the company's financial situation since 2014, with the commitment of all the company's forces and the support of the shareholder, has undoubtedly better equipped skeyes to face the crisis.

SKEYES/ATCC IS NECESSARY BECAUSE...?

Johan Decuyper: Our first task is always to guarantee the safety of air traffic. Secondly, we ensure that the airspace is used as efficiently as possible in order to offer maximum capacity to all its users. In both areas, we have been able to present excellent figures in recent years. These results are all the more remarkable because we work in a limited but very complex airspace. It is also a crucial airspace because it is right at the heart of European air traffic. The best guarantee of using the airspace optimally is and remains to have our own air traffic control.

One of the reasons why we perform our missions so well is because of our unique expertise and experience within all our services: ATS, AIM, technical services, meteo, ... Our people are all specialists in their field, with safety ingrained in their DNA. The results in the field of safety in recent years speak for themselves. We put this knowledge at the service of our customers with whom we work very closely as good partners.

Renaud Lorand: First and foremost to guarantee air traffic safety ! In addition, aviation is the second most important economic pillar of our country. Without skeyes, airports cannot work, there is no air traffic in the airspace above our country. The fact that we can continue to manage this air traffic ourselves is invaluable to Belgium. Our involvement

in the sector is evident; another service provider has no connection with national interests. That is why we must continue to work together with airports to maintain our own national air navigation service provision. Our ambition is to remain the best possible air traffic control service provider, as we already are.

WHAT ARE YOU PERSONALLY PROUD OF AT SKEYES?

Johan Decuyper: In recent years, we have been able to straighten our backs. We have caught up in all areas: financial, technical, personnel, social, ... We have grown enormously as a company. Our results are sufficient proof of this. And you feel it - and see it - when you walk around skeyes. The fact that I have been able to work on this together with almost 900 colleagues makes me want to do my utmost every day in the interests of skeyes, our employees and our customers.

We have already shown our resilience in difficult circumstances several times. This year, together with the whole aviation sector, we are unexpectedly faced with another major challenge. But I am convinced that we can overcome this once again.

Renaud Lorand: I have seen this company evolve from a public company that thought itself to be indispensable to the modern service provider that we are supposed to be and that we want to be. It has been an impressive metamorphosis, which has not escaped our customers' attention. They have recognised the importance of air traffic control and of skeyes as service provider. They appreciate us. I am sincerely pleased about that.

2019 IN FIGURES

skeyes is responsible for the safety and efficiency of air traffic in Belgium - 24 hours a day, 7 days a week. We have almost 900 employees serving our customers, which include airlines, airports, the aviation sector and public authorities, providing them with the safest, most sustainable and unique experience possible. A real driving force for the Belgian economy, skeyes manages over one million flight movements per year. skeyes innovates and develops new services to support air traffic and the economy of the future.

NUMBER OF FLIGHT MOVEMENTS



1,081,281

flight movements controlled by
skeyes in 2019

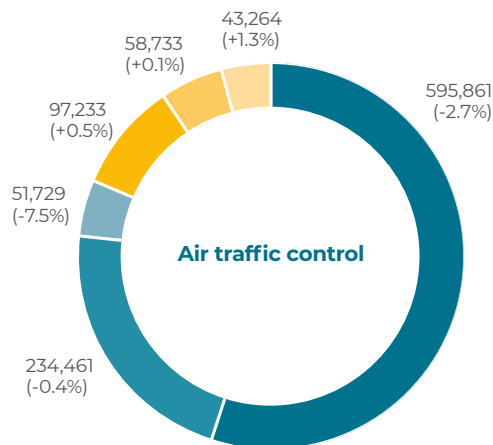


-1.8%

growth of air traffic
compared to 2018

Number of movements managed per unit

- CANAC 2
- Brussels Airport (EBBR)
- Antwerp Airport (EBAW)
- Charleroi Airport (EBCL)
- Liège Airport (EBLG)
- Ostend Airport (EBOS)



PUNCTUALITY: EFFICIENT MANAGEMENT OF AIR TRAFFIC FLOWS

TOTAL



94.4%

of flights were managed
punctually by skeyes in 2019

EN-ROUTE TRAFFIC



0.74 min/flight

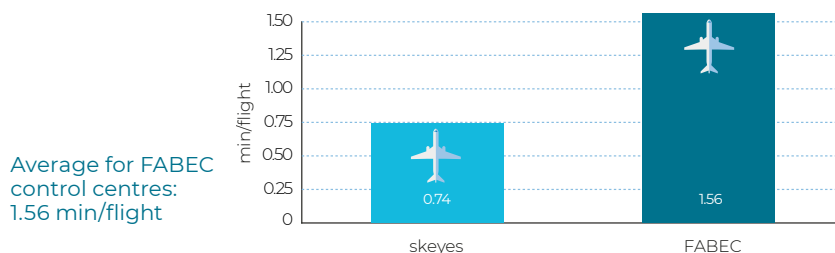
= 44 seconds
delay per flight

CRSTMP causes

These are causes that can be influenced by air traffic control: C-Capacity, R-Routing, S-Staffing, T-Equipment, M-Airspace Management, P-Special Events.

The skeyes en-route punctuality rate is better than the average for FABEC (Belgium, Netherlands, Luxembourg, Germany, France and Switzerland).

Comparison of average delay per flight in FABEC (CRSTMP causes)



Average for FABEC
control centres:
1.56 min/flight

AIRPORTS PUNCTUALITY

Brussels Airport



0.90 min/flight
= 54 seconds delay per flight

Weather conditions are the main cause of arrival delays at Brussels Airport (74%).

Antwerp Airport



0 min/flight
= 0 second delay per flight

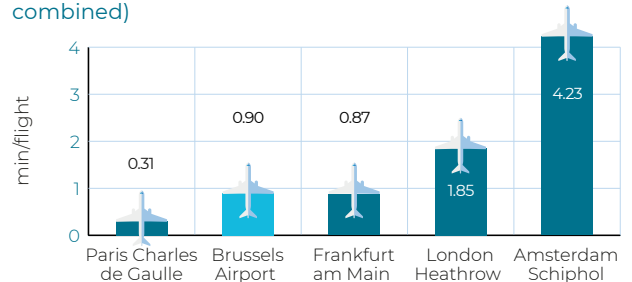
Charleroi Airport



0.02 min/flight
= 1,2 second delay per flight

Social actions and airport capacity are the main causes of arrival delays at Charleroi (75%).

Comparison of arrival delays at Brussels Airport and at the large neighbouring airports (all causes combined)



Liège Airport



0.09 min/flight
= 5,4 seconds delay per flight

Weather conditions are the main cause of arrival delays at Liège (72%).

Ostend Airport



0 min/flight
= 0 second delay per flight

THE BEST SERVICE AT THE BEST PRICE



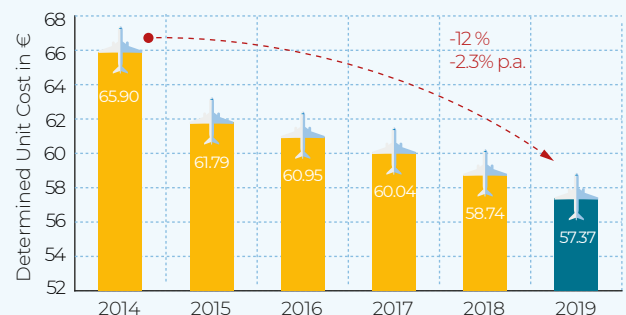
67.55€
unit rate charged by skeyes for an en-route service unit in the airspace for which it is responsible



-12%
underlying the Unit rate charged, there is the DUC (Determined Unit Cost set by the European Commission) which is €57.37 (in 2009 real terms), or a reduction of 2.3% compared to 2018 and a reduction of 12% compared to the starting base of €65.90 in 2014. skeyes has recorded the best performance in FABEC in terms of application of the agreed reduction in costs.

For en-route traffic, the fees are in proportion to the distance travelled and the square root of an aircraft's mass. A service unit corresponds to the control of an aircraft of 50 tonnes over 100 kilometres.

Reduction in Determined Unit Cost (DUC) 2014-2019 of en-route service

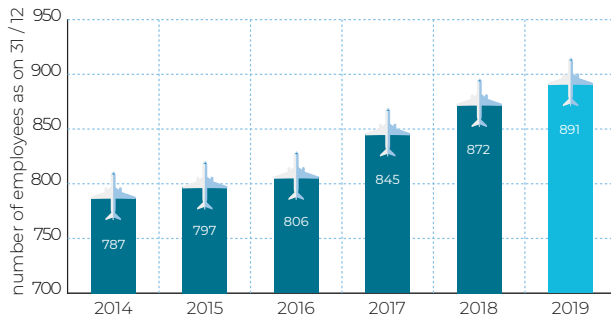


SKEYES IS HIRING TO SUPPORT INNOVATION



891

number of employees as on 31 December 2019



68

new employees were hired in 2019



27

new air traffic controllers completed their training and commenced employment in 2019



19

candidate air traffic controllers started their training in 2019

WEATHER AND AERONAUTICAL INFORMATION: ESSENTIAL DATA FOR SAFETY



26,947

average monthly logins to the skeyes 'Meteo & AIM Briefing' platform

This platform is aimed at general and sports aviation pilots. They can use it to obtain weather observations and forecasts and any aeronautical information that they need for their flights.



10,297

average monthly number of 'Pre-flight Information Bulletins' produced by skeyes

Via the skeyes 'Handler Briefing' application, stakeholders in the commercial aviation sector (handlers and airlines) receive personalised weather and aeronautical information.



10,220

Notams produced by the skeyes Brussels Notam Office

Notam (Notice to Airmen) are messages published for the purpose of notifying pilots of changes in airspace and on the ground.



1,579

number of special activity requests handled by the skeyes SPACC unit

The special activities coordinated by the SPACC unit include flights to calibrate ground-based air navigation infrastructure, photo and video flights (e.g. during major sports events), drone flights in controlled airspace, thermal-imaging flights as well as fireworks.

REALISATIONS

HIGHLIGHTS

Conscious of the challenges to be overcome in the management of an airspace where interactions and the diversification of users are increasing, skeyes is counting on innovation in its services as well as the cooperation it establishes with its partners in order to ensure ever greater safety and efficiency in an increasingly complex environment.



35.5

million passengers travelled safely in airspace under the responsibility of skeyes in 2019



> 1,5 million ton

of cargo passed through Belgian airports and arrived safely

IN THE FUTURE, A SINGLE SYSTEM FOR SKEYES, BELGIAN DEFENCE AND EUROCONTROL MUAC

skeyes, the Belgian Armed Forces and EUROCONTROL's Maastricht Upper Area Control Centre (MUAC) want to use the same air traffic management system from 2024. Thanks to an integrated air traffic management system (SAS3), the services provided to users of Belgian airspace will be more efficient and reliable, safer and less expensive. The three parties signed a letter of intent in 2019 to achieve this goal.

RECRUITMENT OF AIR TRAFFIC CONTROLLERS

In spring 2019, skeyes held a recruitment exam for air traffic controllers. Following the selection tests, 19 candidate air traffic controllers started their training, which is provided by Entry Point North Belgium (EPNB), the joint venture created by skeyes and Entry Point North in 2018.

This partnership enables skeyes to continue to provide high-quality training on its own site to its staff, to recruit at full capacity and to ensure the continuity of its air navigation services.



© Erwin Ceuppens





THE DRONEGUIDE APPLICATION FOR PROFESSIONALS

Launched in 2018, the dronerguide app offers a means for recreational users to manage flights, and includes maps and locations with areas in which drone flights are permitted or prohibited.

In 2019, the dronerguide app was expanded to offer services to drone operators as well as professional pilots. All flight management can now be done via this application: planning and submitting flight notifications, requesting and obtaining any necessary exemptions, and validation can also be carried out via the app. An invaluable tool that is a world first in the area, anticipating the increase in unmanned air traffic that is likely to occur in the near future.



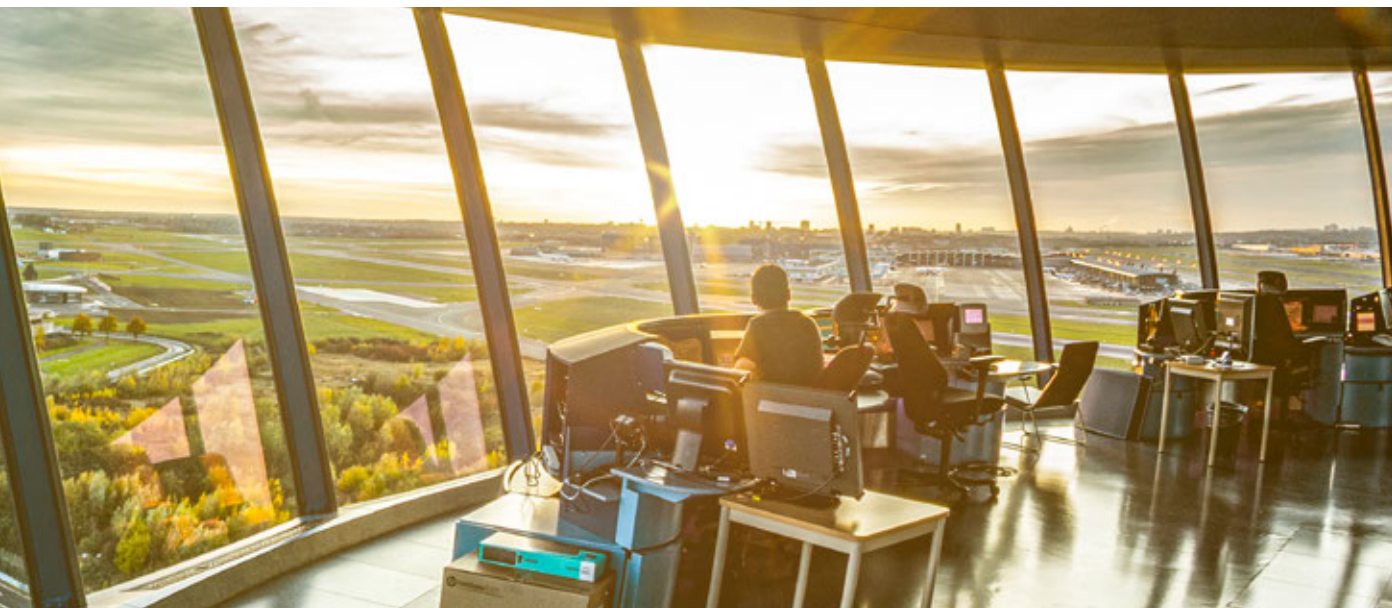
MILITARY AIR TRAFFIC CONTROLLERS ARE WELCOMED TO THE SKEYES SITE

Air traffic controllers from Belgian Defence have been officially based at the skeyes site since 2 December following a military ceremony that ended with a flyover of the site by four F-16s.

Today, 22 military air traffic controllers are housed at Steenokkerzeel, in the CANAC 2 control centre. The grouping together of civil and military air traffic control in a single control centre will allow for more efficient, safe and environmentally-friendly use of Belgian skies.

To be more precise, the airspace over Belgium is confined and complex due to the high volume of traffic, particularly civil aircraft, that passes through it. However, it also serves a strategic function for military missions and training. More than half of Belgian airspace is reserved for this strategic function.

In this connection, the consolidation of civil and military air traffic control will enable more dynamic use of the airspace. For example, civil aircraft will be able to use airspace reserved for the military once the military mission or training has ended. This will allow civil traffic to take more direct routes and so save fuel.



NEWPENS, A NEXT GENERATION COMMUNICATIONS NETWORK

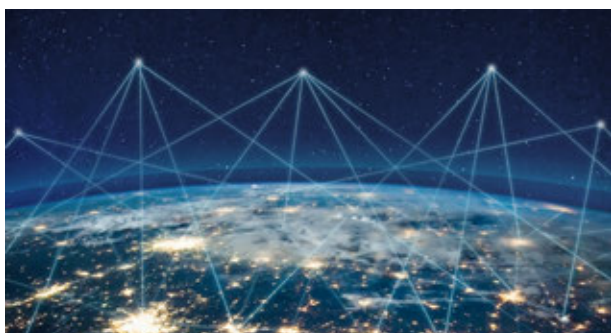
On 1 July 2019, skeyes was the first air navigation service provider to exchange data with the European network manager EUROCONTROL via NewPens (New Pan-European Network Service).

NewPens is a highly-efficient and secure data and voice communications network for transmitting critical operational data between control centres, airports, airlines and military and weather centres.

ANA LUX CDO

skeyes manages air traffic in certain parts of Luxembourg's airspace. On approach to Luxembourg airport, aircraft use CDOs or green landings, thereby consuming less fuel and generating less noise thanks to a continuous descent with minimal engine power rather than in stages.

skeyes and ANA Lux signed an agreement in June 2019 to provide a framework for and systematise the transmission of green landing data to Luxembourg. This will improve monitoring and facilitate the implementation of future initiatives to make Luxembourg airport ever more environmentally-friendly.





TRAVELLING SAFELY

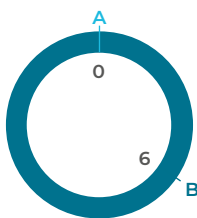
Safety is the absolute top priority for skeyes. It is constantly being analysed and improved. It forms the core of the corporate culture. Promoted on a daily basis, safety is the ultimate objective of everything that skeyes employees do.

NO CATEGORY A INCIDENTS



6

category B incidents



5,56

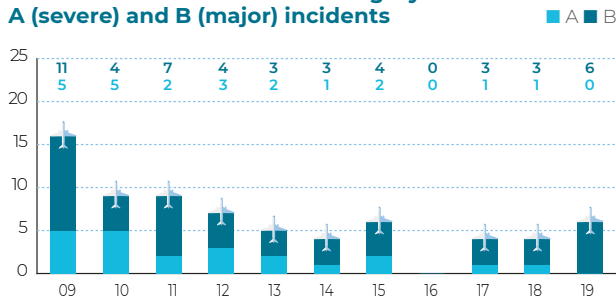
category A and B incidents per million movements



0

category A incidents per million movements

Evolution of the number of category A (severe) and B (major) incidents



For the second time in the company's history, skeyes recorded no category A incidents, the most severe. Although not matching the absolute record set in 2016, when no category A or B incidents occurred, safety performance in 2019 remains exceptional and reflects the ongoing efforts of the air traffic controllers, Safety Management Unit staff, technicians and all skeyes staff.

The severity of incidents is evaluated by independent experts on a scale from A (severe) to E (no impact on safety). The severity of an incident is determined by the horizontal and vertical separations between the aircraft and by the level of control over the situation.

A PERVASIVE SAFETY CULTURE

JUST CULTURE

'Just Culture' is a key element for skeyes. It offers a trusting environment in which operating personnel can work honestly and transparently. Using reports and investigations into safety-related events, Just Culture places the emphasis on the exchange of crucial information to ensure continuous improvement of air navigation safety, as well as the non-punitive handling of unintentional human errors.

After the FABEC conference hosted by skeyes in December 2018, the principles of Just Culture gained further visibility and inspired a greater part of the analyses and discussions during the refresher courses taken by air traffic controllers on a regular basis. In 2019, skeyes created a *Just Culture Advisory Board* whose mandate was established and started work in 2020.

The application of Just Culture is based on 24 criteria. skeyes was able to improve its score for 4 of them in 2019, mainly in the area of training.

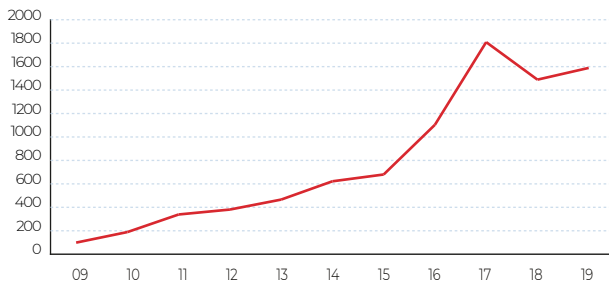


1.589

incident reports in 2019

All incidents, no matter how minor or insignificant, are reported. The skeyes air traffic controllers reported a total of 1,589 incidents in 2019. All the reports are extensively analysed by skeyes safety experts to maintain the high level of safety and ensure continuous improvement. In addition, systematic reporting of incidents provides a more accurate overview of the proactive and reactive actions that need to be taken.

Number of incidents reported by skeyes air traffic controllers



THE MOST FREQUENTLY REPORTED INCIDENTS

Some of the most reported incidents include intrusion by pilots into controlled airspace without prior authorisation (104 reports). This type of incident mainly involved regional airports where there is a higher volume of general aviation traffic.

Attempts to blind pilots using laser pointers constitute another type of incident frequently reported, even though, once again, such reports are down compared to previous years (79 reports in 2019 compared to 83 the previous year).

After a sharp increase in 2018, reports of drone activity in controlled airspace and in no-fly zones around airports seem to have stabilised and even decreased slightly: 28 reports in 2019 compared with 31 the previous year, which is quite reassuring given the increasing use of drones. This reduction could be explained by the droneguide application, launched in 2018, which gives precise information on flight restrictions based on the location of drone pilots.

Of the 1,589 incidents reported, investigations established that skeyes was responsible for 87 of them, of which more

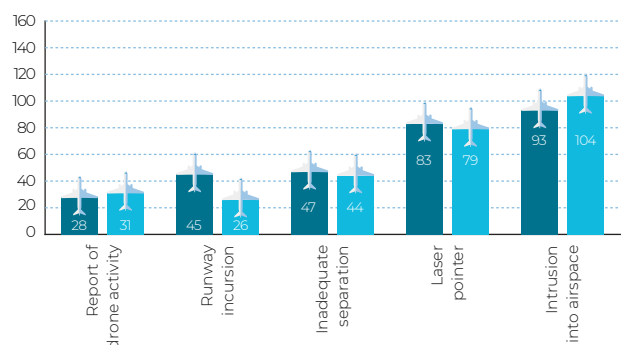
In ten years, the number of incident reports has increased by more than 900%. After the remarkable increase in the number of incident reports in 2016 and 2017, following the new European regulation 376/2014, introduced in November 2015, we saw a decrease in 2018. This decline has not continued into 2019, but a clear trend will only emerge after a longer period of time.

The significant increase in the number of incident reports in recent years is related to three factors:

- ✈ the firm establishment of a safety culture as well as the continuous application and promotion of Just Culture
- ✈ optimisation of incident reporting tools
- ✈ European legislation from the end of 2015 which expanded the types of incidents to be reported.

than 70% (61) were category E, that is to say without any impact on the level of safety.

The most frequently reported incidents



Runway incursions are in sharp decline (-42%). This is a very positive development for safety because this type of incident can have very serious consequences, even if it remains extremely rare, as shown by certain dramatic accidents that have marked the history of aviation.

PROACTIVE SAFETY ACTIONS



> 50

safety assessments carried out in 2019 by skeyes

These are changes involving safety that have been reported to the *Belgian Supervisory Authority for Air Navigation Services* (BSA-ANS).

Whenever a technical or operational change (new system, new procedure, etc.) is planned, the modification is analysed and thoroughly examined from a safety perspective before its implementation.

In 2019, this involved, amongst other things,

- ✈ continuation of the DVOR/DME navigation beacon modernisation programme;
- ✈ improvement of ATM (NewPens, RAPNET) voice and data communication and radar (Surveillance Data Distribution System - SDD) data exchange systems;
- ✈ the ACC Single Person Sector concept, which enables a sector to be managed by a single air traffic controller in low-traffic conditions;
- ✈ UTM (Unmanned Traffic Management) with the SAFIR (Safe and Flexible Integration of Initial U-space Services in a Real Environment) and Medrona projects, intended, respectively, for various missions in the area around the port of Antwerp and the delivery of medical packages between hospitals and analysis laboratories.



4

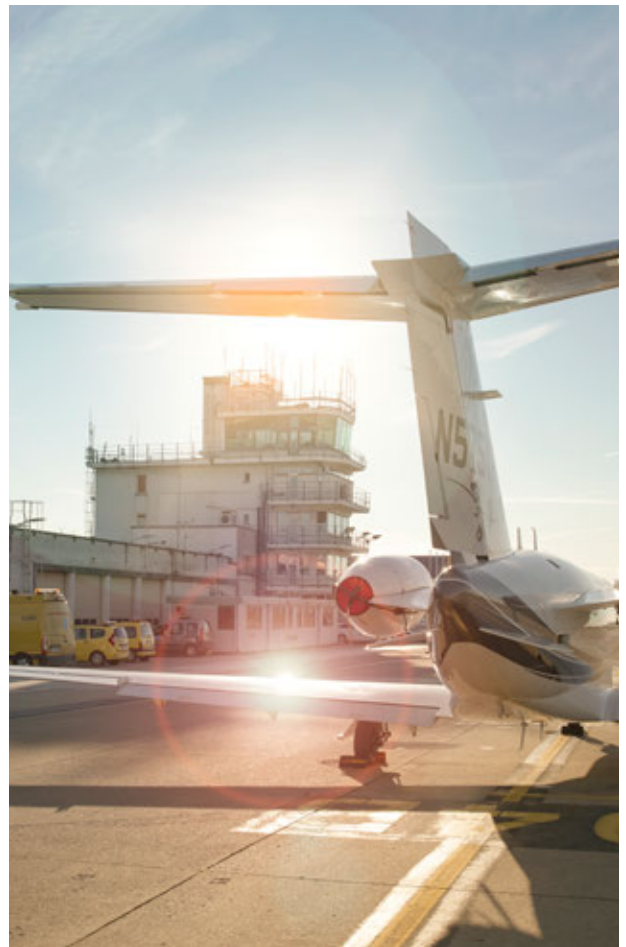
safety surveys were conducted in 2019 by skeyes

Safety surveys are internal and external audits carried out to identify the most high-risk processes and take the appropriate corrective actions.

The safety surveys conducted in 2019 included:

- ✈ flight plan data processing systems;
- ✈ emergency and contingency plans
- ✈ operations at Kortrijk-Wevelgem
- ✈ winter operations at Brussels Airport

3 investigations were also launched in 2019, the results of which are expected in 2020. These include investigations into flight information services (FIS) and NOTAMs that involved airspace users.



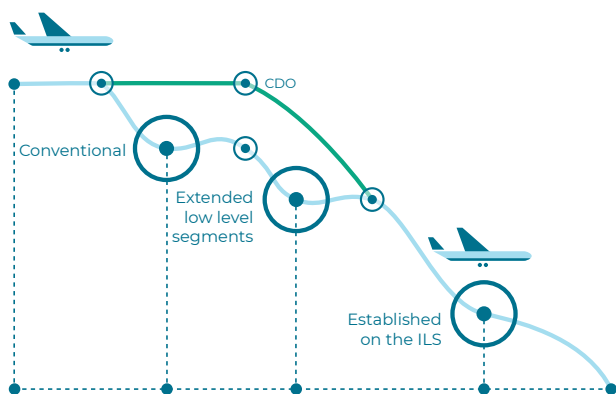


CONTRIBUTING TO A MORE SUSTAINABLE FUTURE

Alongside airlines and airports, skeyes is taking practical steps to reduce the ecological footprint of aviation. A pioneer in the area of green landings, the company is also banking on the training of air traffic controllers on the frontline to reduce the impact of operations on the environment. As well as optimising procedures, the company is also at the forefront of renewable energy and assists with the siting of new wind turbines by ensuring that they are developed harmoniously with air traffic.

GREEN LANDINGS

CONTINUOUS DESCENT OPERATION (CDO)

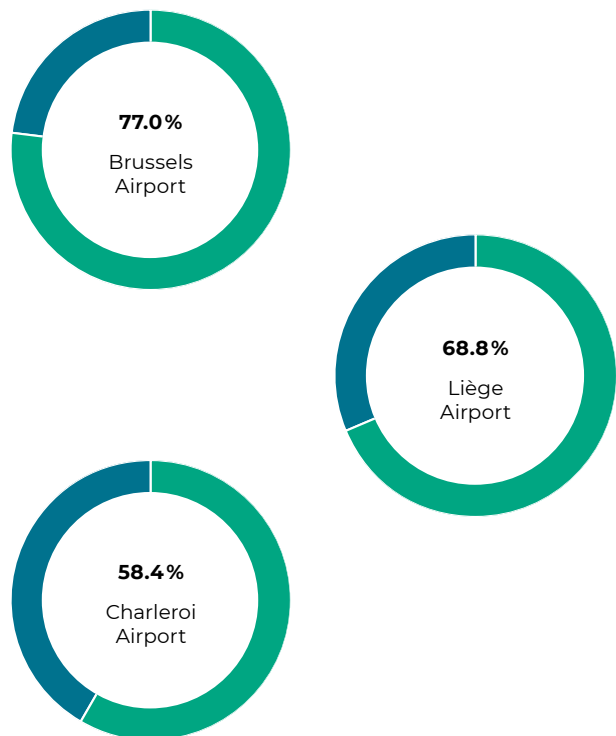


A CDO (Continuous Descent Operation) is an operation in which the aircraft descends continuously, employing minimum engine thrust to the greatest possible extent, depending on the characteristics of the flight and the air traffic situation. This enables a reduction in noise pollution, fuel consumption and greenhouse gas emissions.



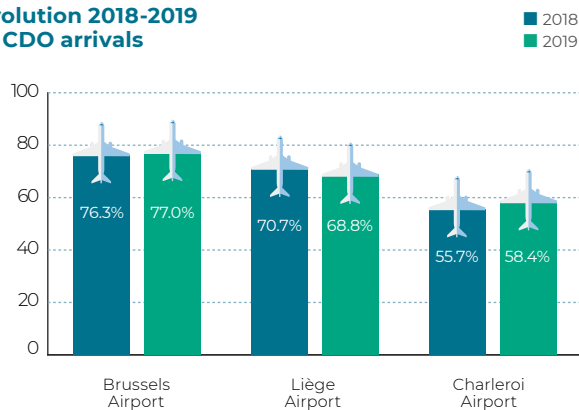
72.1%
of landings followed the green landing procedure at Brussels, Liège and Charleroi airports in 2019

Breakdown of arrivals by airport where the CDO procedure is applied

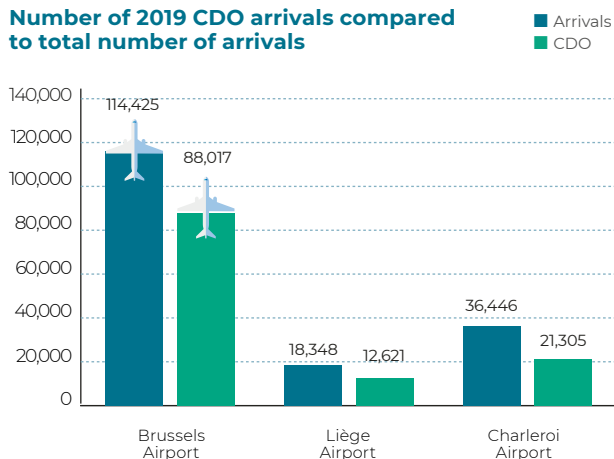


The application of the CDO procedure depends on the complexity and density of air traffic.

Evolution 2018-2019 of CDO arrivals



Number of 2019 CDO arrivals compared to total number of arrivals



ENVIRONMENTAL TRAINING FOR OUR AIR TRAFFIC CONTROLLERS



105

air traffic controllers took the Climate and Environment training in 2019

To raise awareness of climate change among air traffic controllers, skyes launched a Climate and Environment training for its operations personnel in 2018. Developed by an air traffic controller, the module of several hours covers climate issues and the impact of aviation. The course also provides an opportunity to exchange best practices by enabling them to contribute to a reduction in aviation-linked CO₂ emissions while controlling air traffic in the airspace for which skyes is responsible.

In 2019, 105 air traffic controllers from the Antwerp, Brussels, Charleroi, and Liège towers completed this new training

course. In 2020, 100 additional air traffic controllers will be trained in this environmental component of their profession.

Initial feedback from air traffic controllers is very positive. The course gave them a better understanding of the industry's efforts to reduce the environmental impact of aviation. Above all, they can better understand how they can help pilots reduce their fuel consumption.

"The Climate and Environment training was very inspiring!"

"What is most striking is the impressive efforts that have been made by the airlines, in collaboration with airports and air navigation service providers, to reduce their impact on the environment."

"This course provides a clear vision of the company's actions and the needs of pilots."

COLLABORATIVE ENVIRONMENTAL MANAGEMENT AT BRUSSELS AIRPORT

In 2018, skyes and Brussels Airport Company signed a collaboration agreement with Brussels Airlines, TUI fly and DHL Express for the carrying out of joint initiatives aimed at further reducing the environmental impact of aviation activities. EUROCONTROL and ACI Europe, a professional association of airport operators, support this Collaborative Environmental Management (CEM) initiative at Brussels Airport.

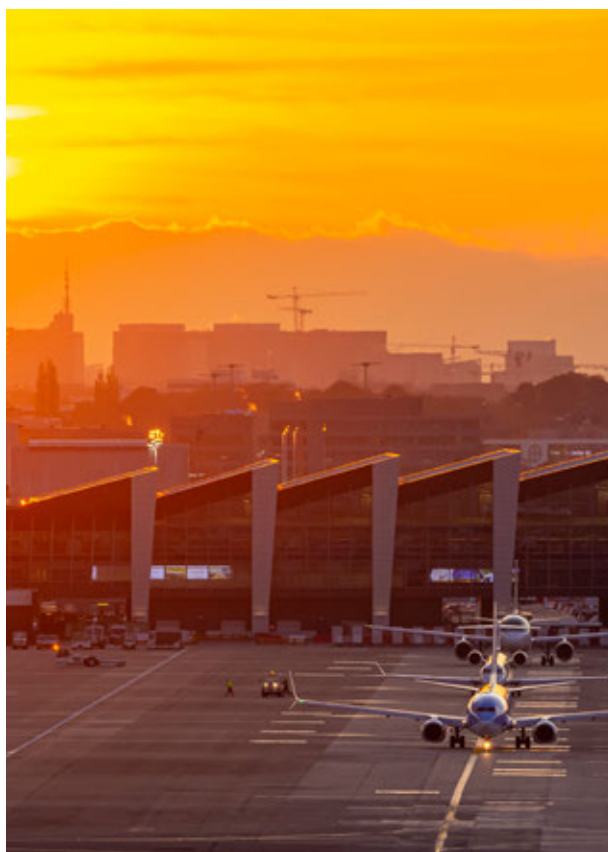
In 2019, this working group enabled concrete operational improvements to reduce CO₂ emissions and noise around Brussels Airport.

Continuous descents or green landings on satellite approaches have been significantly improved by reducing energy-intensive staged landings.

In collaboration with the airlines, Brussels Airport has published a new section in the AIP to promote the use of a single engine during taxiing.

A new area for engine tests is also being studied with the aim of reducing noise pollution.

These meetings also facilitated the sharing and exchange of best practices in terms of reducing fuel consumption among the various players.



CONTRIBUTING TO THE DEVELOPMENT OF WIND ENERGY

skeyes collaborates with the wind energy sector and offers its expertise to developers to ensure that the turbines are installed without interfering with air traffic and, particularly, air safety.



309

applications have already been approved.

The other applications are in the process of being examined or require additional information (65), were refused for safety reasons (26), or were withdrawn by the applicant (26)



426

new applications for permission to install wind turbines submitted to skeyes in 2019



1.342

wind turbines active in Belgium

BATC.BE, A RELIABLE AND REAL-TIME SOURCE OF INFORMATION FOR LOCAL RESIDENTS

skeyes and Brussels Airport Company have developed a new version of the information website BATC.be (*Brussels Airport Traffic Control*). Since the end of 2018, residents can use the website to view real-time relevant information relating to the use of runways, weather observations and forecasts, radar flight tracks, noise measurements and numerous statistics.

During 2019, skeyes and Brussels Airport Company (BAC) focused on the stability and reliability of the new version of the [BATC.be](https://www.btc.be) website. Since a lot of real-time data is sent to the website, a monitoring system has been installed to detect any problems in the data flows and resolve them as quickly as possible.

By offering all of these new handy services, [BATC.be](https://www.btc.be) is both a source of reliable information and an educational tool. The information website for residents has, moreover, become a model in Europe, providing the largest amount of real-time operational information to the general public.

New features will be available in 2020. skeyes is conscious of its corporate social responsibility and wants to provide as much information as possible to ensure a better understanding of its activities and mission.



An aerial photograph of a drone flying over a vast green landscape. The drone is positioned on the left side of the frame, with its four rotors visible. A large, semi-transparent heatmap overlay is visible in the bottom right corner, showing various shades of green and yellow, likely representing data collected by the drone. The background shows rolling hills and a clear sky.

INNOVATING AND COLLABORATING FOR THE SKIES OF TOMORROW

The future will be interconnected. In fact, the more complex our world becomes, the greater the need for a number of interactions. Air traffic control provides a perfect example of this situation. To prepare for this, skeyes is implementing a number of planned innovations, to develop its services, most notably digital control towers, and to respond to new requirements, such as those relating to drones, with the ultimate aim of guaranteeing maximum safety for air traffic. skeyes is also building these multi-level interconnections by developing collaborations that are key to the effective management of the airspace of the future.

DRONES



After the "general public" version of **droneguide** in 2018, on 13 September 2019 skeyes launched an extended version of its app, also aimed at professional drone pilots.

The droneguide app already enabled recreational drone pilots to quickly and easily see where and under what conditions they could fly in Belgium, as well as get an overview of other drones in flight in their area.

droneguide now allows professional drone pilots to plan and submit flight notifications as well as request any necessary derogations from the authorities in just a few clicks. It is a world first in this sector.

Via the online portal, Class 1 operators (A and B) can register, submit flight notifications and obtain the necessary data from FPS Mobility and Transport. Pilots can plan their operations and obtain validation via the app and also submit flight notifications to the authorities. Moreover, Class 2 operators can plan their flights via the tool.

The droneguide app is free and available for Android and iOS.

Further information about the droneguide application and its features can be found at <https://www.skeyes.be/en/services/droneguidebe/>



5,916

drone operations were processed by the droneguide platforms

DIGITAL CONTROL TOWERS

A veritable technological marvel, digital control towers are revolutionising the world of air traffic control. Thanks to new technologies and ultra-modern cameras, air traffic controllers will be able to remotely manage aircraft movements at and on approach to airports.

Digital control towers allow air navigation services to be offered at multiple airports from a single control centre while increasing air safety through augmented reality.

Digital control towers are the future of air traffic management at airports and are being rolled out across Europe. After various studies and field visits in recent years,

MEDRONA

skeyes is an active partner of MEDRONA. This initiative is aimed at establishing a reliable, effective, environmentally-friendly drone-based system for transporting medical packages between hospitals and their laboratories and pharmacies.

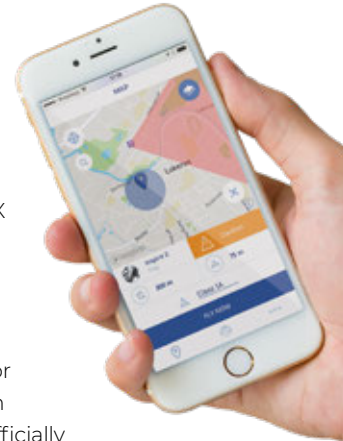
MEDRONA was selected within the context of Smart Mobility Belgium. The project's partners are Helicus, skeyes, SABCA, Unify, La Baloise, NSX as well as several hospitals in Antwerp and Hasselt.

DRONEPORT

DronePort is a campus earmarked for technology companies active in both manned and unmanned aviation. Officially opened in late 2018 in Sint-Truiden, the campus is home to start-ups, schools of higher education, universities and centres of expertise that conduct joint research projects, exchange ideas and adopt initiatives to stimulate the drone sector in Belgium. As a leading player in the area, skeyes is present on the DronePort campus, supports the initiative and participates in different activities on the site.

SKEYDRONE

Through its expertise, skeyes is contributing to the development of UTM (Unmanned Traffic Management). With this in mind, in early 2020 it created a subsidiary entirely dedicated to UTM, SkeyDrone.



ANA LUX CDO

After close collaboration between skeyes and Luxembourg air traffic controller ANA Lux to apply Continuous Descent Operations (CDO) or green landings at Luxembourg Airport, a new milestone was reached in 2019 with the signing of a new agreement. This concerns the transmission of statistical data to ANA Lux relating to CDO. These additional data, by enhancing monitoring, are supporting the optimisation of green descents by identifying future improvements.



TRAINING AT FULL THROTTLE

Entry Point North Belgium (EPNB), the new training academy located on the skeyes site, has recorded excellent results after only one year in operation.



> 600

Staff members received training at EPNB in 1 year.

In September 2018, skeyes created a joint venture with Entry Point North, one of the largest academies for air navigation services in the world.

This joint venture enables skeyes to continue to provide high-quality training on its own site to its staff, to recruit at full capacity and to ensure the continuity of its air navigation services.

In just one year, more than 600 air traffic controllers, engineers, technicians and other skeyes staff completed more than 70 training courses at the academy.

The academy is equipped with new state-of-the-art simulators: 50 radar/pilot stations, five 180° simulators and one 360° 3D control tower simulator.

COLOCATION OF CIVIL AND MILITARY PERSONNEL IN THE CANAC 2 CONTROL CENTRE

An important milestone in civil-military cooperation was reached on 2 December 2019 when skeyes welcomed military air traffic controllers to CANAC 2. This colocation is already facilitating greater efficiency in the management of Belgian airspace. It is making it much easier to apply the principle of Flexible Use of Airspace (FUA). The allocation of available airspace as required permits optimal use with, among other things, direct routes and flight levels that are no longer constrained by fixed military zones that have to be circumvented.

This is an important step in the efficiency of air traffic management, of which civil-military cooperation is one of the cornerstones. Collaboration between Belgian Defence and skeyes had already been enhanced since 2013, with the launch of a series of joint initiatives: participation by Defence in the skeyes strategic committee, joint operation of a new radar unit in Florennes, signing of a framework

agreement for the provision of a common aeronautical information service, establishment of a common airspace management unit, etc.



Colocation complements these close cooperation efforts at an operational level. Belgian Defence and skeyes will continue to intensify their collaboration in the coming years. One of the next steps will be to integrate the civil and military air traffic management system in collaboration with EUROCONTROL MUAC. To this end, skeyes, Belgian

Defence and EUROCONTROL have launched a joint project for the use of an integrated air traffic management system (SAS3) by 2024.

NEWPENS

Every day, dozens of air traffic control organisations in Europe work together to manage traffic in European airspace. A fast, reliable and secure voice and data communication network plays an important role in this regard.

This is the aim of the pan-European telecommunications project NewPens (New Pan European Network Service), which brings together 41 ANSPs (Air Navigation Service

Providers) from 47 countries operating on some one hundred different sites.

In early July 2019, following improvements to its voice communication and data transmission infrastructure, skeyes became the first air navigation service provider to exchange data with European network manager EUROCONTROL via the highly efficient, secure and stable NewPens network to transmit critical operational data.

A FIRM STRATEGY FOR A SUSTAINABLE BUSINESS

skeyes fully committed to the path of Corporate Social Responsibility in 2019. Beyond its mission, skeyes aims to be among the best air navigation service providers in terms of sustainable development by 2025.

skeyes is committed to providing its customers with safe, continuous and efficient air navigation services, while taking the necessary steps to:

- incorporate sustainability into its day-to-day activities
- increase employee engagement
- create a sharing of values with its stakeholders and with the community as a whole.

skeyes has carried out a measurement of its carbon footprint. As the years go by, this indicator will track the progress made in various areas towards becoming a sustainable business. Ultimately, the objective is to have a neutral carbon footprint, a target duly included in the proposal for the next management contract sent to the minister in charge of skeyes.



2019 ANNUAL REPORT

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CORPORATE GOVERNANCE

SKEYES' GOVERNANCE MODEL

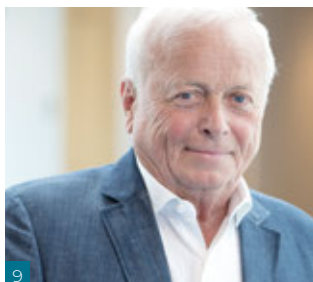
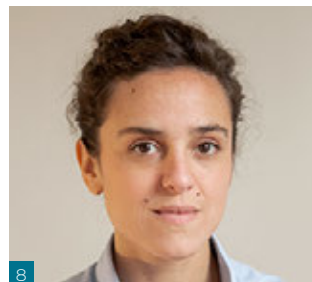
As an autonomous public company, skeyes is subject to the Law of 21 March 1991 on the reform of certain economic public companies. The provisions of the Belgian Companies Code are only applicable in cases to which the Law of 21 March 1991 expressly refers.

skeyes' governance model is characterised by:

- A Board of Directors;
- The creation from within the Board of Directors of an Audit Committee, a Strategy Committee and a Remuneration Committee;
- An Executive Committee consisting of the Chief Executive Officer and the members of the Executive Committee.

In addition there are also the supervisory bodies, such as the Board of Auditors and the Government Commissioner.

THE BOARD OF DIRECTORS



1. Renaud Lorand
2. Johan Decuyper
3. Fons Borginon
4. Laurent de Brie
5. Gérald Duffy
6. Luc Laveyne

7. Julie Ludmer
8. Sandra Stainier
9. Hugo Van Bever
10. Liesbeth Van der Auwera

Composition

The regulations governing the composition and the appointment of the members of the Board of Directors are laid down in the Law of 21 March 1991.

The Board of Directors is made up of ten members, including the Chief Executive Officer and the Chairman. The Royal Decree of 18 November 2013 constituted a new Board of Directors and at least one third of the members are of the opposite sex. In addition, there are as many French speaking as Dutch speaking members. The members were appointed for a term of six years.

At 31 December 2019, the Board of Directors was composed as follows:

Name of the Directors	Function
Renaud Lorand	Chairman
Johan Decuyper	Chief Executive Officer
Julie Ludmer	Director
Liesbeth Van der Auwera	Director
Fons Borginon	Director
Laurent de Briey	Director
Gérald Duffy	Director
Luc Laveyne	Director
Sandra Stainier ¹	Director
Hugo Van Bever	Director

(1) Appointed by decision of the Board of Directors on 23 January 2019 in accordance with article 18 §4 of the law of 21 March 1991.

In principle, the terms of office of the directors expired on November 17, 2019. As no new appointment decisions had been taken by the Government by that date, the terms of office were automatically extended, in application of the principle of continuity of the public service, until the appointment of the new directors.

Powers and functioning

The Board of Directors is empowered to take any action necessary for or useful in attaining the corporate goal of the public company and supervises the management tasks carried out by the Executive Committee. The Board of Directors may delegate some of its powers to the Executive Committee.

The Board has adopted an internal regulation which details the rules and principles of its functioning.

The Board meets regularly and at least eight times a year. Additional meetings may be convened each time that the company's interest requires this or two directors request it.

The Chairman convenes the Board. At the end of the calendar year, the timetable for meetings for the following calendar year is set. The agenda of each meeting is set by the Chairman and consists of items on which a decision must be taken and items for information.

The Board of Directors may only validly deliberate or decide if at least half its members are present or represented at the meeting.

All the decisions are in principle made by a simple majority of directors present or represented. With regard to certain specific issues detailed in the law of 21 March 1991, a two-thirds majority is required, for approval of the management contract for example. These decisions may be prepared by the specialised Committees created by the Board of Directors.

In 2019, the Board of Directors met sixteen times.

COMMITTEES SET UP BY THE BOARD OF DIRECTORS

The Board of Directors has set up three Committees, whose task is to assist it and to give it advice in specific fields: an Audit Committee, a Strategy Committee and a Remuneration Committee. The composition and powers of these Committees were approved during the meeting of the Board of Directors on 28 November 2013. The three Committees comply with the principle of language parity.

THE AUDIT COMMITTEE

The existence of this Committee is laid down in Article 173 §4 of the Law of 21 March 1991.

Composition

At 31 December 2019, the Audit Committee was composed as follows:

- ➔ Mr Fons Borginon, Chairman,
- ➔ Mrs Sandra Stainier, Mrs Liesbeth Van der Auwera and Mr Laurent de Briey.

The Government Commissioner and the Chairman of the Board of Directors are invited to the Committee and have an advisory vote. In practice, the Chief Executive Officer is also invited.

Powers and functioning

The Audit Committee assists the Board of Directors in verification of the accounts, budget control and any other internal auditing matters.

The specific mission of this Committee is to supervise the biannual and annual financial accounts, the five-year plan and all major investments. The Committee prepares these documents for approval by the Board of Directors and checks whether the internal audit system is implemented appropriately within the organisation.

An independent internal audit function has been set up as from 1st January 2015. The position provides the Audit Committee with objective assurance against the existing risks and internal control over those risks. It also formulates recommendations to management in order to improve internal controls. To that end, an annual audit plan is drafted on the basis of an inventory of the possible subjects (the audit universe or delimitation of the audit basis) of a risk analysis and of an audit horizon in the long term (3 years). The plan will be submitted to the Audit Committee for approval. During its meetings, the Audit Committee oversees the implementation of the targeted audit programme and the ensuing results.

The Chairman of the Audit Committee will report on their meetings to the Board of Directors and the minutes will be presented to all directors.

In 2019, the Audit Committee met nine times.

THE STRATEGY COMMITTEE

The Strategy Committee was set up by the Board of Directors in execution of the powers entrusted to it by Article 17 §4 of the Law of 21 March 1991.

Composition

The Strategy Committee is composed of six members of the Board of Directors.

- ➔ Mr Renaud Lorand, Chairman,
- ➔ Mrs Julie Ludmer, Messrs Johan Decuyper, Luc Laveyne, Hugo Van Bever and Laurent de Briey.

The Government Commissioner is also invited to the meetings.

Powers and functioning

The Strategy Committee assists the Board of Directors in deciding the company strategy. Amongst other things it

gives advice on the strategic priorities and on the development of the company internationally.

The Strategy Committee meets at the invitation of its Chairman, who also sets the agenda.

THE REMUNERATION COMMITTEE

The existence of this Committee is laid down in Article 17 §4 of the Law of 21 March 1991.

Composition

The Remuneration Committee is composed of four directors appointed by the Board of Directors:

- ➔ Mr Renaud Lorand, Chairman,
- ➔ Messrs Gerald Duffy, Hugo Van Bever and Luc Laveyne.

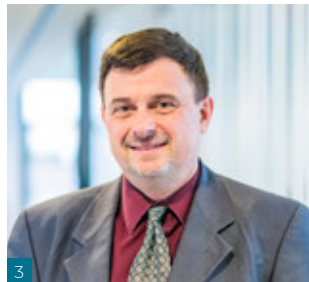
Powers and functioning

The Remuneration Committee makes recommendations to the Board of Directors regarding decisions on the direct and indirect monetary benefits granted to the members of the management bodies.

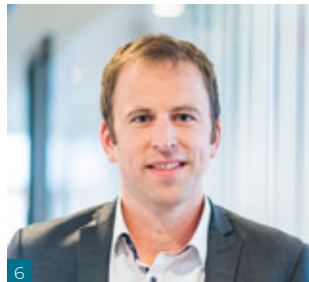
Every year the Remuneration Committee draws up a report on the remuneration of the members of the Board of Directors and the Executive Committee, which is included in the management report. The remuneration report for 2019 is detailed on page 38.

The Remuneration Committee meets at the invitation of its Chairman, who also sets the agenda. In 2019, the Remuneration Committee met five times.

THE CHIEF EXECUTIVE OFFICER AND THE EXECUTIVE COMMITTEE



1. **Johan Decuyper**,
Chief Executive Office
2. **Christian Berlanger**,
Director-General
International & Public
Affairs
3. **Alain Vandenabeele**,
Director-General Digital
Transformation & New
way of working
4. **Peggy Devestel**,
Chief Operations Officer
5. **Hilde Van den Houten**,
Director-General Finance
& Support
6. **Geoffroy Robert²**,
Director-General Strategy
& Implementation



THE CHIEF EXECUTIVE OFFICER

By Royal Decree of 2 October 2013, Mr Johan Decuyper was appointed as Chief Executive Officer of skeyes, as from this date for a term of six years. The term of office of the Chief Executive Officer expired on 1 October, 2019. In application of the principle of continuity of public service, the term of office has been automatically extended.

The Executive Committee

The Chief Executive Officer and the members of the Executive Committee together constitute the Executive Committee. The Executive Committee is chaired by the Chief Executive Officer (art. 20 of the law of 21 March 1991).

The regulations governing the appointment of the Chief Executive Officer and other members of the Executive Committee are set by the law of 21 March 1991.

Composition

On a proposal from the Chief Executive Officer and after consulting the Remuneration Committee for advice, the Board of Directors appoints members of the Executive Committee, excepting the Chief Executive Officer.

In addition to the Chief Executive Officer, Mr Johan Decuyper, the Executive Committee was composed at 31 December 2018 as follows:

- ➔ Mrs Peggy Devestel, Chief Operations Officer,
- ➔ Mr Alain Vandenabeele, Director-General Digital Transformation & New way of working,

- ➔ Mr Christian Berlanger, Director-General International and Public Affairs,
- ➔ Mrs Hilde Van den Houten, Director-General Finance and Support,
- ➔ Mr Geoffroy Robert², Director-General Strategy and Implementation.

Powers and functioning

The Executive Committee is responsible for daily management and representation of this management, as well as for the execution of the decisions of the Board of Directors. The Executive Committee represents the company in negotiations concerning the management contract. The members of the Executive Committee constitute a board chaired by the Chief Executive Officer. The decisions of the Executive Committee are in principle taken by consensus.

In 2019, the Executive Committee met 45 times.

(2) Mr. Youcha Mackelbert left the company on September 28, 2019 as Director General Program & Project Delivery. Mr. Geoffroy Robert was appointed Director General Program & Project Delivery a.i. effective September 28, 2019 (Board decision of September 11, 2019). Mr. Geoffroy Robert was appointed Director.

THE BOARD OF AUDITORS

As do all autonomous public companies, skeyes entrusts the verification of its financial position, of its annual accounts and their regularity in the eyes of the law, and the operations shown in the annual accounts, to a Board of Auditors.

The Board of Auditors is composed of two company auditors and two members of the Court of Audit.

Every year the Board of Auditors draws up a detailed written report, which is submitted to the Board of Directors and to the Minister responsible for skeyes.

As at 31 December 2019, the Board of Auditors consisted of:

- ✈ Ernst & Young BV CVBA, represented by Mrs Marleen Mannekens,
- ✈ Mr Jean-Michel Haegeman, company auditor,
- ✈ Mr Philippe Roland, First Chairman of the Court of Audit,
- ✈ Mrs Hilde François, Chairwoman of the Dutch speaking chamber of the Court of Audit.

THE GOVERNMENT COMMISSIONER

As an autonomous public company, skeyes is subject to the supervisory powers of the Minister to whom it reports, in this case the Minister for Mobility responsible for skeyes. This supervision is carried out by the Government Commissioner who ensures the company complies with the law and the management contract. The Government Commissioner reports to the Minister for Mobility.

Mr Michaël Vanloubbeeck has been appointed since 18 July 2016 Government Commissioner.

MANAGEMENT REPORT OF THE BOARD OF DIRECTORS

Please find below the report on the position and results of the autonomous public company for the financial year 2019 in accordance with the legal provisions.

This report has been drawn up pursuant to Article 27 of the Law of 21 March 1991 reforming certain economic public companies.

1. COMPANY'S MAIN ACTIVITIES IN 2019

After positive figures for air traffic in 2018, with a record result for the CANAC 2 control centre, which controlled more than 600,000 movements, 2019 has seen a slight drop in comparison, but the figures are still higher than those for 2017.

While the number of passengers who travelled with airlines operating in Belgian airports increased compared to 2018 (over 35 million passengers), the number of movements controlled in Belgian airspace fell slightly: 1,081,281 compared with 1,101,145 in 2018, a slight decrease of 1.8%. At the same time, the increase in passenger numbers once again underscores the development strategy of airlines that are using larger aircraft and optimising their occupancy rate.

The CANAC 2 control centre, which manages air traffic overflying and on approach, recorded a slightly above-average decline with a 2.7% drop compared to 2018 traffic. Traffic managed by the centre fell below the symbolic threshold of 600,000 movements that had first been crossed in 2018, to record 595,861 movements in 2019.

It should be noted that, on average, CANAC 2 controllers safely guide almost 1,700 aircraft per day.

In terms of terminal activity, Brussels Airport recorded a slight fall of 0.4%. In total, 234,461 take-offs and landings took place in 2019. However, the number of passengers carried increased again, hitting a new absolute record in 2019 (26.4 million passengers), which attests once again to the use of larger aircraft and the optimisation of their occupancy rate.

At regional airports, the number of movements increased across all sites in 2019, with the exception of Antwerp airport, which saw a relatively significant decline of 7.5% (51,729 movements). For the others, although there were increases, they nevertheless remained quite limited: Charleroi (97,233 movements or +0.5%), Liège (58,733 movements or +0.1%) and Ostend (43,264 movements or +1.3%). These slight increases were reflected in traffic figures for Charleroi, which welcomed more than 8.2 million passengers in 2019, and Liège Airport, through which more than 900,000 tons of freight passed, crossing a new symbolic milestone.

Service units, which take into account the weight of the aircraft and the distance flown, were slightly down for en-route (-0.9%) but overall up at airports (+1.2%). As with the number of movements, there are quite significant disparities between airports, with Liège recording growth of 4.4%, while Antwerp saw a decrease of 10.7%. Between these two extremes, developments are less marked: Brussels Airport (+0.7%), Charleroi (+1.9%) and Ostend (-0.6%).

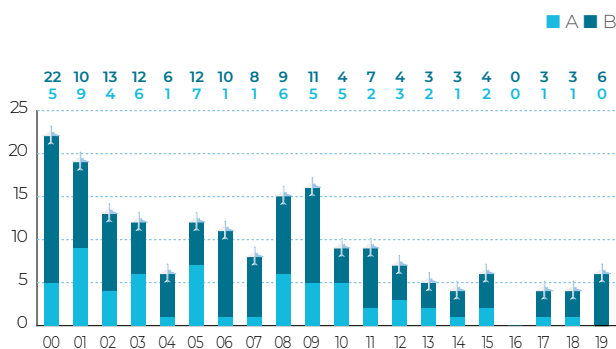
1.1. SAFETY: SKEYES' TOP PRIORITY

Taking into account the degree of complexity of Belgian airspace and the density of traffic, skeyes' performance in terms of safety was again very good: in 2019, skeyes did not record any category A incidents. This is the second time in the company's history that no incidents of the most severe category have been reported. While this performance is noteworthy, the absolute record of 2016, where no category A or B incidents occurred, was not matched in 2019.

Indeed, skeyes bore responsibility for 6 category B ('major') incidents in 2019. The proportion of category A and B

incidents was generally higher than that in 2018 (0.00056% versus 0.00036% of all controlled movements), but it remains very low since there were only 0.56 category A (severe) and B (major) incidents per 100,000 movements controlled. The objective of not exceeding one category A and B incident per 100,000 controlled movements was therefore once again comfortably met in 2019.

Therefore, this performance was still very good, especially if we look at the trend and progress made over the last two decades. In 2000, skeyes was still recording no less than 22 category A and B incidents.



This positive trend is down to the day-to-day work of the air traffic controllers and all the staff working for skeyes, whose top priority is safety. In more structural terms, the Safety Management System (SMS) used in all the company's operational departments as well as the culture of open and constant notification and the concept of Just Culture are paying off. They make it possible to approach safety in a proactive, responsive, systematic and formalised manner and provide a set of processes to continuously improve, assess and monitor safety.

The performance plan of FABEC (Functional Airspace Block Europe Central) imposes joint and individual contributions for air navigation service providers in order to achieve the overall objectives of the Single European Sky in four areas: safety, capacity, environment and cost-efficiency. 2019 was the fifth and last year of the second reference period, which runs from 2015 to 2019.

Within the European performance plan, there are three safety objectives which skeyes must meet. Two are qualitative: the use of the Risk Analysis Tool (RAT) to classify incidents according to order of severity and the application of the Just Culture principle. These two objectives were met. While awaiting adoption of an appropriate legislative or regulatory framework in Belgium, Just Culture is being applied at skeyes and the RAT is used for non-compliance

with minimum separations, runway incursions and technical incidents.

The third objective is quantitative in nature and concerns the maturity of the Safety Management System (SMS). skeyes contributes to the Safety Maturity Survey (EoS - Effectiveness of Safety Management) - an audit aimed at measuring the effectiveness of its safety management.

26 objectives in 11 areas were therefore put under the microscope. In 2019, skeyes once again improved its score by five points compared to 2018 and comfortably exceeded the objective set. Improvements mainly concerned emergency and contingency procedures, the dissemination of best practices and "lessons learned" internally and externally, operational safety surveys and SMS audits. skeyes' efforts in terms of safety were once again successful as the company achieved all the objectives imposed by the European Commission by 31 December 2019.

The SMS is also aimed at promoting a safety culture across the company. This has made a leap forward in recent years - the number of incidents reported has increased sharply (+150% compared with 2014). skeyes' air traffic controllers are reporting all incidents on a more systematic basis, however small and insignificant they may be. A total of 1,589 incidents were reported in 2019, an increase of 6.7% over 2018. After the remarkable increase in the number of incident reports in 2016 and 2017, following the new European Regulation 376/2014, introduced in November 2015, skeyes saw a decrease in 2018. This reduction is not, for the time being, continuing into 2019.

1.2. INVESTMENTS: SUPPORTING INNOVATION AND COLLABORATION

One of the major challenges arising at the beginning of this new decade is the optimal use of airspace. Not only growing traffic, but also new forms of air traffic - such as drones - will have to be safely integrated to open the way to new applications and new economic and social opportunities. Airspace must be used in the most efficient way possible and ensure safe activity for all users. With this in mind, in 2019, skeyes made investments to develop new applications, upgrade its infrastructure and systems and implement collaborations to increase the effectiveness of its work.

Following the completion of fit-up work in 2019 to accommodate military air traffic control in CANAC 2, the actual relocation of Defence personnel took place on 2 December 2019. En-route air traffic controllers from Belgian Defence moved into the section of the CANAC 2

centre previously dedicated to the testing and training of air traffic controllers and technical teams. These positions have consequently been transferred to a fully renovated room, where some of the positions are now dedicated to testing only and more training positions have been created, significantly increasing the training capacity. Thanks to closer cooperation between civil and military air traffic control services on the same site, they can coordinate their operations much better. As soon as military airspace becomes free, it is once again available for use by other aircraft. This collaboration will, eventually, also make it possible to offer more direct routes to civil air traffic via FUA (Flexible Use of Airspace), resulting in an environmental benefit as well as greater efficiency in skeyes air traffic control and better positioning for the company within the air traffic control sector, which is becoming increasingly competitive.

skeyes has also made improvements to its voice communication and data transmission infrastructure, with the result that it became the first air navigation service provider to exchange data with the European Network Manager EUROCONTROL via the highly efficient, secure and stable NewPens (New Pan European Network Service) network to transmit critical operational data.

The droneguide app, launched in 2018, underwent significant improvements in 2019. It is now aimed at professional drone users. The updated version contains all the features they need to plan and manage their flights. Using the online portal, Class 1 operators (A and B) can register, submit flight notifications and obtain the necessary data from FPS Mobility and Transport. This extended version is a world first: nowhere else in the world can flight requests or derogations be submitted via a comparable tool. skeyes has, from the outset, recognised the economic potential of the drone sector and the societal value of multiple practical applications. It will continue to invest in this future-oriented sector in order to maintain its leading position in terms of drones.

As a potential future provider of UTM (Unmanned Traffic Management) services, skeyes is looking to the future and is involved in several major drone projects in Belgium and Europe, including Medrona. The company is drawing on its expertise to support these projects and is participating in the development of UTM activity. To this end, in early 2020, it created a subsidiary entirely dedicated to UTM, SkeyeDrone.

Another area of innovation is digital control towers. These are responding to the growing needs of airports and are fully supporting them in their development.

1.3. COST-EFFICIENCY: THE BEST SERVICE AT THE BEST COST

In terms of the cost-efficiency of en-route services, the performance plan submitted by Belgium-Luxembourg for the 2nd reference period and approved by the European Commission provides for a reduction of 12.9% between 2014 and 2019 in the Belgium-Luxembourg Determined Unit Cost (DUC) serving as a basis for the invoicing of the en-route services provided by skeyes. The DUC for 2019 decreased by 2.3% compared with the previous year (DUC 2018 = €58.74 vs. DUC 2019 = €57.37, expressed in 2009 real terms). In 2019, actual traffic was 3.7% lower than forecast by EUROCONTROL when the revised performance plan was prepared in 2015.

In terms of the cost-efficiency of terminal activities, skeyes has continued to reduce the costs of providing services to airports in order to achieve the objective, set by the management contract, of an annual reduction of 2.5% as a weighted average over the period from 2015 to 2019. The DUC weighted average decreased from €244.17 in 2018 to €237.23 in 2019.

1.4. PUNCTUALITY

Three out of the four areas of the FABEC performance plan (safety, capacity, environment) are evaluated afterwards by the European Commission's Performance Review Body for all six FABEC Member States (Belgium, France, Germany, Luxembourg, the Netherlands and Switzerland). For its part, skeyes has to make an individual contribution based on FABEC's overall performance. As in 2018, FABEC fell short of its objectives in the areas of capacity and the environment.

1.4.1. En-route performance

As regards capacity, a top indicator is the average en-route ATFM delay per flight. As regards the objectives for this indicator, on the one hand there is the overall FABEC objective to limit the average en-route delay for 2019 to 0.43 minutes per flight (for all causes) and to 0.34 minutes per flight for CRSTMP causes (C-Capacity, R-Routing, S-Staffing, T-Equipment, M-Airspace management, P-Special events), i.e. the causes that the service provider can control. On the other hand, there is the individual contribution by service providers to the overall objective. For skeyes, this is to limit the average en-route delay in 2019 to 0.10 minutes per flight for all causes of delay and to 0.07 minutes per flight for CRSTMP causes.

In 2019, specific circumstances led to a sharp drop in performance in terms of punctuality. Industrial action during the first half of 2019 within the CANAC (ACC) control centre led to traffic restrictions in the airspace under

skeyes' responsibility in order to ensure safety. This is one of the reasons why skeyes recorded a service delay of 0.74 minutes per flight (after validation by the Network Manager EUROCONTROL). This service falls far short of skeyes' expected contribution to the FABEC objective of 0.07 minutes per flight.

All FABEC ANSPs recorded an average delay of 1.56 minutes per flight in 2019, when the objective was not to exceed 0.43 min/flight, and 1.15 min/flight for CRSTMP causes, when the maximum objective was 0.34 min/flight. The overall FABEC target for punctuality was therefore not achieved in 2019.

1.4.2. Airport punctuality

Two objectives were set for skeyes regarding Brussels and Liège Airports: to limit the average delay per flight (CRSTMP causes only) to 0.11 minutes at Brussels Airport and to 0.06 minutes at Liège Airport.

At Brussels Airport, the objective was achieved in 2019: the average arrival delay per flight was 0.08 minutes. The objective was also comfortably met for Liège Airport, since the average delay per arrival was 0.03 minutes in 2019.

1.5. ENVIRONMENT: SHORTER DISTANCES TRAVELLED

When it comes to the environment, in order to assess the efficiency of aircraft trajectories, the indicator is the horizontal efficiency of en-route flights (KEA - Key Performance Environment Indicator based on Actual Trajectory). This indicator uses a calculation method to compare the trajectory followed by an aircraft with the shortest possible route between the departure airport and the arrival airport. The notion of achieved distance introduced by the European Commission for this second reference period (2015-2019) allows local efficiency losses (local FABEC performance) to be differentiated from efficiency losses due to the network (entering or leaving FABEC space).

One objective set in the FABEC performance plan was to reduce the difference between the shortest route and the route actually travelled to a maximum of 2.96% by the end of 2019. No individual contribution to this joint objective was set for FABEC members.

In 2019, the difference between the ideal route and the en-route distance travelled by aircraft was 3.33% on average in FABEC airspace. Given the increase and volatility of air traffic, this performance comes very close to the objective set.

2. FINANCIAL DATA FOR THE FINANCIAL YEAR 2019

2.1. BALANCE SHEET

(in thousands of euros)

ASSETS	31/12/2018	31/12/2019	Change
Fixed assets	112,853	111,709	-1.0%
Current assets	196,522	185,545	-5.6%
Total assets	309,375	297,254	-3.9%

Total fixed assets were slightly lower than at the end of 2018 as depreciation costs (€11.6 million) were higher in 2019 than the amount of new investments (€10.6 million).

Current assets decreased, mainly due to a fall in trade accounts receivables.

This item also contains the asset adjustment account, where the Belgian contribution was included in EUROCONTROL's operating expenses for the 1st quarter of 2020 (€16.3 million) and the corrective mechanisms for the "en-route" activity during the period 2016-2019 (€14.9 million).

This corrective mechanism relates mainly to the costs of support services provided by EUROCONTROL headquarters to MUAC and pensions of former MUAC employees.

skeyes paid these costs, but reported them to the European Commission, in accordance with European Regulation No 391/2013, in order to recover them from the airlines during the period 2020-2024.

(in thousands of euros)

LIABILITIES	31/12/2018	31/12/2019	Change
Equity	229,239	230,729	0.7%
Provisions	18,000	19,941	10.8%
Debts	62,136	46,584	-25.0%
Total liabilities	309,375	297,254	-3.9%

Equity increased by €1.5 million, i.e. the amount of the 2019 profit.

Following complaints made by third parties about the industrial action and the disruptions in Belgian airspace due to industrial unrest at skeyes in the first quarter of 2019, the amount of provisions for litigation increased.

Liabilities have mainly decreased due to large invoices outstanding and receivable for major planned investments and services provided at the end of 2018.

2.2. PROFIT AND LOSS ACCOUNT

(in thousands of euros)

PROFIT AND LOSS ACCOUNT	31/12 /2018	31/12/2019
Turnover	240,363	245,234
Other operating income	2,017	3,484
Non-recurring operating income	22	832
Operating income	242,403	249,549
Services and other goods	78,843	88,225
Remuneration, social security contributions and pensions	135,462	144,471
Amortisation	10,029	11,609
Write-downs and provisions	525	2,301
Other operating expenses	793	1,440
Non-recurring operating expenses	5	9
Operating expenses	225,657	248,055
Operating result	16,746	1,495
Financial result	-32	20
Provision for taxes	0	-24
FINANCIAL YEAR PROFIT	16,714	1,491

In 2019, we made a profit of €1.5 million, compared with a profit of €16.7 million in 2018.

The increase in turnover comes from both the en-route service and the terminal service. En-route turnover accounts for 71% of total activity and has mainly increased due to application of the cost & traffic risk sharing mechanism. The number of service units payable decreased slightly (-1%) and the 'en route' unit rate decreased from €64.86 for 2018 to €64.23 for 2019. Terminal services account for 26% of the turnover.

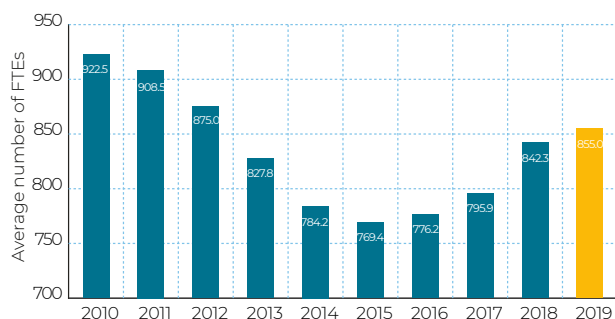
On the cost side, "Services and other goods" was up, mainly due to an increase in the contribution to the operating budget of MUAC (EUROCONTROL) and the conclusion of new maintenance and assistance contracts.

Following the downward trend in the workforce up until 2015, the number of FTEs (full-time equivalents) increased again in 2019, to 855.

Just like previous years, exams were organised in 2019 to recruit air traffic controllers, enabling 19 candidate air traffic controllers to begin their training.

Staff costs have mainly increased as a result of recruitment, training costs for new staff members and salary indexation.

CHANGE IN THE NUMBER OF FTEs (Full-time equivalents)



Finally, there was an increase in depreciation expenses of €1.6 million due to the commissioning of new installations (the CANAC 2 automation system, among others).

2.3. APPROPRIATION OF THE 2019 RESULT

(in thousands of euros)

APPROPRIATION OF THE RESULT	31/12/2019
Profit to be appropriated 2019	1,491
Allocation to the available reserve	1,491

The profit for the year (€1.5 million) was fully allocated to available reserves.

2.4. EVENTS THAT OCCURRED AFTER THE BALANCE SHEET DATE

As of the date of this report, the coronavirus crisis is continuing unabated. It is having an unprecedented impact on the aviation sector and is hitting airlines, airports and air navigation service providers hard.

Unlike other players in the aviation sector, skeyes cannot suspend the service it provides and the company must continue to fulfil its public service missions as stipulated in the Law of March 1991, in its management contract concluded with the Belgian State and in the 1989 Cooperation Agreement between the Belgian State acting for the air navigation authority (skeyes) and the Regions, and in accordance with the international provisions incumbent on the Belgian State under the Chicago Convention. skeyes must guarantee a minimum service at all times, even though there is little room for reducing its costs, given the status of the employees. Staff must also be quickly operational when activities resume at the end of the lockdown.

As part of the emergency measures taken by the federal government to limit the spread of the coronavirus/ COVID-19 (the Ministerial Decrees of 18 and 23 March 2020), air navigation and air traffic control and weather services were defined as being a crucial sector and an essential

service. As a result, skeyes continues to provide its operational services.

Because 85% of the cost of the services provided by skeyes are covered by fees charged to the airlines, skeyes' revenue is heavily dependent on air traffic. Given the sudden and drastic reduction in air traffic, skeyes is facing a drastic fall in its turnover and revenue, which is further exacerbated by the fact that several airlines are no longer able to pay for the service provided by skeyes before the coronavirus outbreak.

Nevertheless, in accordance with the accounting rules, this crisis has not resulted in an adjustment to the balance sheet or income statement for the financial year ended, but rather a mention in the notes to the annual accounts.

However, the crisis will have a major impact on turnover, income and equity for the 2020 financial year. The skeyes management bodies are monitoring the situation day by day and are regularly assessing the possible effects and measures, in close consultation with the ministerial authority. Simulations and sensitivity analyses have been carried out to estimate the impact of the crisis on turnover, income, equity and cash position. This clearly shows that in the absence of any protective measures, a major liquidity and solvency problem will arise during the 2020 financial year. In order to deal with the situation and to limit the financial impact somewhat, several concrete measures are being examined in close consultation with the relevant authorities and taking into account the broader European context.

In a letter dated 28 April 2020, the competent Minister reiterated his commitment to skeyes and agreed that maintaining the operational stability and safety as well as the financial health of skeyes is of crucial importance for the Belgian economy. In his letter, he stated that in these particularly difficult and exceptional times, the government would take up its responsibilities, both in the short term for the liquidity challenges and for the proportional structural measures that would need to be taken to ensure a financially sound and social future for skeyes. The form in which this would be realised would be determined at a later date. There are a whole series of factors involved, such as changes in the aviation sector in a broad sense and the role of the European Commission. The government intends to provide maximum support to skeyes.

Given the day-to-day uncertainties and developments, it is not yet possible to precisely quantify the consequences of this crisis.

3. REMUNERATION OF THE MEMBERS OF THE MANAGEMENT BODIES

Article 17 §4 of the Law of 21 March 1991 stipulates that the Remuneration Committee shall prepare an annual report on the remuneration of the members of the management bodies, which shall be included in the management report.

The Royal Decree of 2 October 2013 appointed Mr Johan Decuyper as Chief Executive Officer of skeyes from 2 October 2013 for a period of six years. Subsequently, the Royal Decree of 18 November 2013 appointed the Chairman and members of the Board of Directors of skeyes for a period of six years.

The terms of office of the directors technically expired on 17 November 2019. As the government had not made any new appointment on that date, the terms of office were automatically extended until the new directors were appointed, in accordance with the principle of continuity of public services. This was confirmed by a letter from the minister dated 16 September 2019.

3.1. THE MEMBERS OF THE BOARD OF DIRECTORS

The remuneration received by the members of the Board of Directors on account of their directorship is set by the King pursuant to Article 21 §2 of the Law of 21 March 1991.

Within the Board of Directors established since 22 November 2013, the directors (with the exception of the Chief Executive Officer) and the Chairman receive, on the basis of the Royal Decree of 18 November 2013, a gross annual remuneration of €11,155.20 and €52,057.64 respectively, linked to the pivotal index 138.01.

The directors also receive an attendance fee for their participation in the specialised committees created within the Board of Directors (Audit Committee, Remuneration Committee, Strategy Committee) on the basis of the Royal Decree of 3 May 1999. This attendance fee amounts to €371.84, is not index-linked and the annual total may not exceed 1/3 of the annual basic remuneration received as a director.

In 2019, Ms Melen (until 14/01/2019) was replaced by Ms Stainier as a member of the Board of Directors from 23/01/2019.

For the financial year 2019, the gross remuneration (in €) received by the members of the Board of Directors was as follows:

Directors	Gross	Attendance fees (*)	Total gross remuneration
LORAND Renaud (Chairman)	74,351.28	4,462.08	78,813.36
BORGINON Fons	15,932.40	3,346.56	19,278.96
de BRIEY Laurent	15,932.40	2,974.72	18,907.12
DUFFY Gerald	15,932.40	1,115.52	17,047.92
LAVEYNE Luc	15,932.40	1,487.36	17,419.76
LUDMER Julie	15,932.40	0.0	15,932.40
MELEN Claude	599.61	0.0	599.61
VAN BEVER Hugo	15,932.40	1,859.20	17,791.60
Van der AUWERA Liesbeth	15,932.40	1,859.20	17,791.60
STAINIER Sandra	14,990.16	2,974.72	17,964.88
	201,467.85	20,079.36	221,547.21

(*) Including attendance fees paid in 2020 for the December 2019 meetings.

The attendance rate at meetings of the Board of Directors was 83.1% (including the Chief Executive Officer). In 2019, outside of normal meetings, a significantly higher number of meetings were held due to current events.

In 2019, the Board of Directors met 16 times. Ms Stainier attended 14 meetings. Messrs Duffy and Laveyne attended 13 meetings and Messrs de Briey and Van Bever attended 12 meetings. Ms Van der Auwera and Ms Ludmer took part in 11 and 10 meetings respectively. Messrs Lorand and Borginon were present at all meetings.

Among the directors who are members of the Audit Committee, Ms Stainier and Mr de Briey attended 8 of the 9 meetings held in 2019 and Mr Lorand and Ms Van der Auwera attended 7 and 5 meetings respectively. Mr Borginon was present at all the meetings.

Among the directors who are members of the Remuneration Committee, Mr Duffy was present at 3 of the 5 meetings held in 2019 and Mr Laveyne at 4 meetings. The other members were present at the 5 meetings. The Strategy Committee did not meet in 2019.

3.2. THE EXECUTIVE COMMITTEE

In accordance with Article 17 §4 of the Law of 21 March 1991, the remuneration and benefits granted to the Chief Executive Officer and the members of the Executive Committee are decided by the Board of Directors at the proposal of the Remuneration Committee.

When each member of the Executive Committee took office, the fixed portion of this remuneration was the subject of a specific agreement in accordance with Article 21 of the Law of 21 March 1991. The Remuneration Committee set the amount and composition of this remuneration at that time and separately based each case on a benchmarking study relating to comparable levels of responsibility.

When setting the Chief Executive Officer's remuneration at the end of 2013, the relevant guidelines laid down by the Government were taken into account. Based on these guidelines, and at the proposal of the Remuneration Committee, the Board of Directors set out a system of remuneration in the CEO's specific agreement providing for the granting of a fixed gross annual salary, a variable gross salary and a certain number of additional benefits.

Mr Mackelbert left skeyes on 27 September 2019. The Board of Directors, at a meeting held on 11 September 2019, decided to appoint Mr Robert as interim Director-General with effect from 28 September, and at a meeting held on 18 November 2019 appointed him Director-General Strategy & Implementation.

The Chief Executive Officer does not receive any specific remuneration in his capacity as a member of the Board of Directors.

Variable compensation for services provided in 2018

In 2019, the members of the Executive Committee received variable remuneration for services provided in 2018.

Additional benefits in 2019

In 2019, the Chief Executive Officer and the other members of the Executive Committee received a number of additional benefits, such as a company car and hospitalisation insurance, as provided for in their individual contracts. The contractual members of the Executive Committee also benefited from 'income protection insurance' and group insurance.

For the 2019 financial year, the fixed salary, allowances and other benefits (in €) received by members of the Executive Committee were as follows:

	Fixed salary (*)	Variable compensation and other benefits	Total gross compensation
Chief Executive Officer	223,054.11	88,214.24	311,268.35
Director-Generals	973,921.82	244,012.68	1,217,934.50
TOTAL	1,196,975.93	332,226.92	1,529,202.85

(*) Fixed salary = salary + holiday pay + end-of-year bonus (depending on the start and end dates of the term of office) + exit holiday pay for Mr Mackelbert.

3.3. THE GOVERNMENT COMMISSIONER

Mr Michaël Vanloubbeeck was appointed as the Government Commissioner on 18 July 2016. In 2019, he received gross remuneration of €21,190.68.

L'année 2019 constituera un jalon important pour les objectifs et partenariats de skeyes dans de nombreux domaines d'activité. L'entreprise poursuivra son travail de transformation selon les grandes lignes stratégiques définies.

6.1. PARTNER WITH OUR CUSTOMERS

skeyes veut sans cesse améliorer les services qu'elle offre à ses clients et ses stakeholders. À cette fin, le plan d'investissement 2014-2019 (97 millions d'euros) se poursuit.

Le projet le plus visible sera la mise en œuvre effective de la co-location des centres de contrôle aérien civil et militaire et continuera également à investir dans la sécurité et dans la capacité aéroportuaire avec la finalisation des travaux d'installation d'un A-SMGCS (radar-sol avec filets de sécurité) à Liège et Charleroi. À Brussels Airport, un système radar sera installé afin d'obtenir des informations fiables sur le vent en phase d'approche. Le renouvellement des systèmes et équipements (DVOR, ILS, radars, systèmes de communication, systèmes météo, etc.) sera poursuivi en 2019 afin d'améliorer la fiabilité de nos services.

Enfin, skeyes veut conclure des partenariats stratégiques avec les aéroports afin de se rapprocher encore plus de ses clients.

REPORT OF THE BOARD OF AUDITORS

Report of the Joint Auditors of the autonomous public company skeyes for the year ended 31 December, 2019

The Dutch and French versions of the Report and the 2019 Annual Accounts have been officially approved. The English version is not signed and for information purpose only.

In accordance with the articles of association of the company and the provisions of the law, and more particularly, in accordance with Section 25 of the law of 21 March 1991 concerning the reform of certain economic public companies (hereinafter referred to as “the law of 21 March, 1991”) which makes reference to Sections 3:74 and 3:75 of the Code of companies and associations, the Board of Auditors hereby submits its report to you under our mandate as statutory auditor of skeyes (the “autonomous public company”). This report includes our opinion on the balance sheet as at 31 December 2019, the income statement for the year ended 31 December 2019 and the disclosures (all elements together the “Annual Accounts”) and includes as well our report on other legal and regulatory requirements. These reports are considered as one and are inseparable.

The members of the Institute of Auditors have been appointed by the ministerial decree of 28 March 2017, in accordance with the proposition by the Board of Directors following recommendation of the joint committee. By ministerial decree, this mandate expires with the deliberation of the Annual Accounts for the year ending 31 December 2019. They performed the statutory audit of the Annual Accounts of the Company during three years.

Per Section 25 §3 of the law of 21 March 1991, two members of the Joint Auditors have been appointed by the shareholders' meeting of the Court of Audit of respectively 2 September 2015 and 5 April 2017.

REPORT ON THE AUDIT OF THE ANNUAL ACCOUNTS

UNQUALIFIED OPINION

We have audited the Annual Accounts of skeyes, that comprise of the balance sheet on December 31, 2019, as well as the income statement of the year and the disclosures, which show a balance sheet total of € 297.253.685,85 and of which the income statement shows a profit for the year of € 1.490.703,83.

In our opinion, the Annual Accounts give a true and fair view of the autonomous public company's net equity and financial position as at 31 December 2019, and of its results for the year then ended, prepared in accordance with the financial reporting framework applicable in Belgium.

BASIS FOR THE UNQUALIFIED OPINION

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the “Our responsibilities for the audit of the Annual Accounts” section of our report.

We have complied with all ethical requirements that are relevant to our audit of the Annual Accounts in Belgium, including those with respect to independence.

We have obtained from the Board of Directors and the officials of the autonomous public company the explanations and information necessary for the performance our audit and we believe that the audit

evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF CERTAIN MATTERS RELATED TO COVID-19

We draw your attention to disclosure VOL 6.14 of the Financial Statements in which the impact of the COVID-19 crisis on the activities and the financial position of the autonomous public company is described. Our opinion is not modified in respect of this matter.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS FOR THE PREPARATION OF THE ANNUAL ACCOUNTS

The Board of Directors is responsible for the preparation of the Annual Accounts that give a true and fair view in accordance with the financial reporting framework applicable in Belgium and for such internal controls relevant to the preparation of the Annual Accounts that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the Annual Accounts, the Board of Directors is responsible for assessing the autonomous public company's ability to continue as a going concern, and provide, if applicable, information on matters impacting going concern. The Board of Directors should prepare the financial statements using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the autonomous public company or to cease business operations, or has no realistic alternative but to do so.

OUR RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL ACCOUNTS

Our objectives are to obtain reasonable assurance whether the Annual Accounts are free from material misstatement, whether due to fraud or error, and to express an opinion on these Annual Accounts based on our audit. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Annual Accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and we maintain professional skepticism throughout the audit. We also perform the following tasks:

- > Identification and assessment of the risks of material misstatement of the Annual Accounts, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements resulting from fraud is higher than when such misstatements result from errors, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- > Obtaining insight in the system of internal controls that are relevant for the audit and with the objective to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the autonomous public company's internal control;
- > Evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given by the Board of Directors;
- > Conclude on the appropriateness of the Board of Director's use of the going-concern basis of accounting, and based on the audit evidence obtained, whether or not a material uncertainty exists related to events or conditions that may cast significant doubt on the autonomous public company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Annual Accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the autonomous public company to cease to continue as a going-concern;
- > Evaluating the overall presentation, structure and content of the Annual Accounts, and evaluating whether the Annual Accounts reflect a true and fair view of the underlying transactions and events.

We communicate with the Audit Committee and the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors is responsible for the preparation and the content of the management report, the compliance with the legal and regulatory requirements regarding bookkeeping, as well as compliance with the law of 21 March 1991, the management contract of the autonomous public company and with the Company's articles of association.

RESPONSIBILITIES OF THE JOINT AUDITOR

In the context of our mandate and in accordance with the additional standard to the ISA's applicable in Belgium, it is our responsibility to verify, in all material respects, the management report, as well as compliance with certain requirements of the law of 21 March 1991, the management contract of the autonomous public company and the articles of association, as well as to report these matters.

ASPECTS RELATING TO MANAGEMENT'S REPORT

In our opinion, after carrying out specific procedures on the management report, the management report is consistent with the Annual Accounts and has been in prepared accordance with articles 3:5 and 3:6 of the Code of companies and associations (former articles 95 and 96 of the Belgian Companies Code).

In the context of our audit of the Annual Accounts, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the management's report contains any material inconsistencies or contains information that is inaccurate or otherwise misleading. In light of the work performed, we do not need to report any material inconsistencies. In addition, we do not provide reasonable assurance regarding the management report.

ASPECTS RELATING TO THE SOCIAL BALANCE SHEET

The social balance sheet, to be published in accordance with article 3:12, § 1, 8° of the Code of companies and associations, includes both in form and in substance the required information as prescribed by the Belgian Companies and does not contain any material inconsistencies compared to the information we have in our audit files.

INDEPENDENCE MATTERS

We have not performed any services that are not compatible with the statutory audit of the Annual Accounts and have remained independent of the autonomous public company during the course of our mandate.

The fees related to additional services which are compatible with the audit of the Annual Accounts as referred to in article 3:65 of the Code of companies and associations were duly itemized and valued in the notes to the Annual Accounts.

OTHER COMMUNICATIONS

- > Without prejudice to certain formal aspects of minor importance, the accounting records were maintained in accordance with the legal and regulatory requirements applicable in Belgium taking into account the specific applicable legislation, sometimes deviating from the Belgian Company Code, specifically referring to the law of 31 July 2017 with respect to the change of Section 176 of the law of 21 March 1991 which states that no provision should be created for risks and charges related to disponibility and leave preceding the legal pension of the employees of skeyes.
- > The appropriation of the results proposed to the general meeting complies with the relevant requirements of the law and the Company's articles of association.
- > There are no transactions undertaken or decisions taken in breach of the law of 21 March 1991, the articles of association or of the management contract of the autonomous public company that we have to report to you.

Brussels, May 6, 2020

**The Board of Auditors,
The members of the Institute of Company Auditors**

EY Bedrijfsrevisoren BV

Statutory auditor

Represented by

Marleen Mannekens

Partner*

Chair of the Board of Auditors

*Acting on behalf of a BV

Jean-Michel Haegeman

Statutory auditor

Jean-Michel Haegeman

Partner

The Court of Audit

represented by

Philippe Roland

First Chairman of the Court of Audit

Hilde François

Chairman of the Court of Audit

ANNUAL ACCOUNTS

2019

BALANCE SHEET AFTER APPROPRIATION

ASSETS	Codes	31/12/2019 in €	31/12/2018 in €
Formation expenses	20		
FIXED ASSETS	21/28	111,708,739.66	112,852,560.94
Intangible fixed assets	21	363,211.63	473,273.75
Tangible fixed assets	22/27	111,111,447.39	112,145,306.55
Land and buildings	22	58,284,068.97	61,562,110.13
Plant, machinery and equipment	23	34,814,318.35	33,544,367.64
Furniture and vehicles	24	3,027,532.08	2,383,660.96
Leasing and other similar rights	25		
Other tangible fixed assets	26		
Assets under construction and advance payments	27	14,985,527.99	14,655,167.82
Financial fixed assets	28	234,080.64	233,980.64
Affiliated enterprises	280/1	200,000.00	200,000.00
Participating interests	280	200,000.00	200,000.00
Amounts receivable	281		
Enterprises linked by participating interests	282/3		
Participating interests	282		
Amounts receivable	283		
Other financial assets	284/8	34,080.64	33,980.64
Shares	284		
Amounts receivable and cash guarantees	285/8	34,080.64	33,980.64
CURRENT ASSETS	29/58	185,544,946.19	196,522,521.66
Amounts receivable after one year	29		
Trade debtors	290		
Other amounts receivable	291		
Stocks and contracts in progress	3		
Stocks	30/36		
Raw materials and consumables	30/31		
Work in progress	32		
Finished goods	33		
Goods purchased for resale	34		
Immovable property intended for sale	35		
Advance payments	36		
Contracts in progress	37		
Amounts receivable within one year	40/41	43,046,607.31	53,597,856.11
Trade debtors	40	15,875,181.05	26,093,854.37
Other amounts receivable	41	27,171,426.26	27,504,001.74
Current investments	50/53	78,006,453.31	75,003,298.80
Portfolio for investment	50		
Other investments and deposits	51/53	78,006,453.31	75,003,298.80
Cash at bank and in hand	54/58	28,709,064.78	43,034,171.95
Deferred charges and accrued income	490/1	35,782,820.79	24,887,194.80
TOTAL ASSETS	20/58	297,253,685.85	309,375,082.60

EQUITY AND LIABILITIES	Codes	31/12/2019 in €	31/12/2018 in €
EQUITY	10/15	230,729,234.93	229,238,531.10
Capital	10	145,000,000.00	145,000,000.00
Issued capital	100	145,000,000.00	145,000,000.00
Uncalled capital	101		
Share premium account	11		
Revaluation surpluses	12		
Reserves	13	83,660,034.93	82,169,331.10
Legal reserve	130	14,500,000.00	14,500,000.00
Reserves not available for distribution	131		
In respect of own shares held	1310		
Other	1311		
Reserves	132		
Reserves available for distribution	133	69,160,034.93	67,669,331.10
Accumulated profits (losses) (+)/(-)	14		
Investment grants	15	2,069,200.00	2,069,200.00
Advance to associates on the sharing out of net assets	19		
PROVISIONS AND DEFERRED TAXES	16	19,940,875.57	18,000,482.28
Provisions for liabilities and charges	160/5	19,940,875.57	18,000,482.28
Pensions and similar obligations	160	2,342,367.17	2,205,003.19
Taxation	161		
Major repairs and maintenance	162	11,522,000.16	11,952,500.00
Environnemental obligations	164		
Other liabilities and charges	164/5	6,076,508.24	3,842,979.09
Deferred taxes	168		
LIABILITIES	17/49	46,583,575.35	62,136,069.22
Amounts payable after one year	17	668,646.03	688,876.38
Financial debts	170/4		
Subordinated loans	170		
Unsubordinated loans	171		
Leasing and other similar obligations	172		
Credit institutions	173		
Other loans	174		
Trade debts	175		
Suppliers	1750		
Bills of exchange payable	1751		
Advances received on contracts in progress	176		
Other amounts payable	178/9	668,646.03	688,876.38
Amounts payable within one year	42/48	37,892,049.94	53,332,890.83
Current portion of amounts payable after one year	42	4,957.87	
Financial debts	43		
Credit institutions	430/8		
Other loans	439		
Trade debts	44	11,738,526.55	31,006,006.33
Suppliers	440/4	11,738,526.55	31,006,006.33
Bills of exchange payable	441		
Advances received on contracts in progress	46		
Taxes, remuneration and social security	45	26,148,565.52	22,326,884.50
Taxes	450/3	875,377.44	994,869.17
Remuneration and social security	454/9	25,273,188.08	21,332,015.33
Other amounts payable	47/48		
Accrued charges and deferred income	492/3	8,022,879.38	8,114,302.01
TOTAL LIABILITIES	10/49	297,253,685.85	309,375,082.60

PROFIT AND LOSS ACCOUNT		Codes	31/12/2019 in €	31/12/2018 in €
Operating income		70/76A	249,549,489.97	242,402,609.92
Turnover		70	245,233,633.28	240,363,151.52
Increase (Decrease) in stocks of finished goods, work in progress and in contracts in progress	(+)/(-)	71		
Fixed assets - own construction		72		
Other operating income		74	3,484,308.84	2,017,448.28
Extraordinary income		76A	831,547.85	22,010.12
Operating charges		60/66A	248,054,919.32	225,656,873.42
Raw materials, consumables and goods for resale		60		
Purchases		600/8		
Decrease (increase) in stocks	(+)/(-)	609		
Services and other goods		61	88,225,242.16	78,843,402.01
Remuneration, social security costs and pensions	(+)/(-)	62	144,471,215.59	135,462,534.43
Depreciation and other amounts written off formation expenses and intangible and tangible fixed assets		630	11,608,718.31	10,028,806.21
Amounts written off stocks, contracts in progress and trade debtors - Increase (decrease)	(+)/(-)	631/4	360,414.73	-471,383.53
Provisions for risks and charges - Appropriations (Utilization and write-back)	(+)/(-)	635/7	1,940,393.29	995,953.65
Other operating charges		640/8	1,440,167.01	792,746.68
Operating charges capitalized as restructuring costs	(-)	649		
Extraordinary charges		66A	8,768.23	4,813.97
Operating profit (loss)	(+)/(-)	9901	1,494,570.65	16,745,736.50
Financial income		75/76B	39,890.94	46,308.37
Recurring financial income		75	39,890.94	46,308.37
Income from financial fixed assets		750		
Income from current assets		751		
Other financial income		752/9	39,890.94	46,308.37
Non-recurring financial income		76B		
Financial charges		65/66B	19,487.31	77,920.30
Recurring financial charges		65	19,487.31	77,920.30
Interest and other debt charges		650	1,805.07	1,145.70
Amounts written off current assets other than stocks, contracts in progress and trade debtors	(+)/(-)	651		
Other financial charges		652/9	17,682.24	76,774.60
Non-recurring financial charges		66B		
Profit (Loss) of the financial year before taxes	(+)/(-)	9903	1,514,974.28	16,714,124.57
Transfer from deferred taxes		780		
Transfer to deferred taxes		680		
Income taxes	(+)/(-)	67/77	24,270.45	
Taxes		670/3	24,270.45	
Adjustment of income taxes and write-back of tax provisions		77		
Profit (Loss) for the financial year	(+)/(-)	9904	1,490,703.83	16,714,124.57
Transfer from reserves		789		
Transfer to reserves		689		
Profit (Loss) for the year available for appropriation	(+)/(-)	9905	1,490,703.83	16,714,124.57

APPROPRIATION ACCOUNT		Codes	31/12/2019 in €	31/12/2018 in €
Profit (Loss) to be appropriated	(+)/(-)	9906	1,490,703.83	30,446,492.74
Profit (Loss) for the year available for appropriation	(+)/(-)	(9905)	1,490,703.83	16,714,124.57
Profit (Loss) brought forward	(+)/(-)	14P		13,732,368.17
Transfers from capital and reserves		791/2		
from capital and share premium account		791		
from reserves		792		
Transfers to capital and reserves		691/2	1,490,703.83	30,446,492.74
to capital and share premium account		691		
to the legal reserve		6920		11,564,900.43
to other reserves		6921	1,490,703.83	18,881,592.31
Profit (Loss) to be carried forward	(+)/(-)	(14)		
Shareholders' contribution in respect of losses		794		
Profit to be distributed		694/6		
Dividends		694		
Directors' or managers' entitlements		695		
Other beneficiaries		696		

SUMMARY OF THE VALUATION RULES

ASSETS

FORMATION EXPENSES

The formation expenses and initial costs of establishment are immediately booked during the financial year in which they were incurred.

The restructuring expenses are capitalized when they consist of clearly defined expenses that are linked to a drastic change in the structure or the organization of the company and when these expenses have a permanent and favourable impact on the profitability of the company.

These expenses are amortized in annual instalments of 20%.

INTANGIBLE FIXED ASSETS

The royalties for patents and licences are booked in this section and are subject to a linear amortization percentage of 20% a year.

Studies, on the other hand, are immediately booked under 'Services and other goods' (applied from the year 2000 onwards).

TANGIBLE ASSETS

The tangible assets are booked under the assets of the balance sheet at their purchase value, including the extra costs which, for major projects, comprise the non-recoverable taxes and transport charges, as well as the fees for architects and engineering firms (with regard to stability, special techniques, safety and control).

Amortization is calculated per month in a linear way, according to the percentages mentioned in the amortization table, while the month of coming into service corresponds to the first monthly amortization instalment.

The fixed assets are considered as operational either on the date of the report of the provisional acceptance (on that date, they can be removed from the section 'Tangible assets under construction' under which they were

registered, and booked to their specific account), or on the date of the delivery of the goods.

In exceptional circumstances, skeyes can provide for amortization on 'tangible assets under construction' when the putting into service takes place before the provisional acceptance; in such a case, the actual date of putting into service is taken into account.

In 2019, the cost bases and billing rates for the period 2020-2024 will have to be determined in accordance with European regulations. In this context, the categories of (in) tangible fixed assets were reviewed, further differentiated and refined. The depreciation rates were determined on the basis of the estimated economic lifetime of the investments in the various categories. For a number of important categories, the depreciation period will be longer. Consequently, the depreciation cost based on a first rough estimate of the investment budget (2020-2024) will be lower than in the current method. The impact in the period 2020-2024 is estimated at - EUR 13.5 million, which will be postponed to later years.

FINANCIAL FIXED ASSETS

Affiliated enterprises

The financial fixed assets are booked on the assets side of the balance sheet at their purchase value.

At the end of each financial year, the valuation is revised in accordance with the situation, profitability or prospects of the company in which the participation is held.

Amounts written off are booked for the financial fixed assets for which a durable capital loss is determined or for which the repayment, as a whole or partly, is insecure or in danger.

Write-backs of the amounts written off is carried out to an amount of the said amounts written off if, later on, a durable capital gain is determined.

When the estimated value is higher than the value of the booked item, in principle, no changes are made to the accounting value.

AMOUNTS RECEIVABLE AFTER ONE YEAR

The amounts receivable are booked at their nominal value or their purchase value.

A write-off is carried out when the realisation value on the closing date is lower than the accounting value - provided that this constitutes a durable capital loss - or when the refunding upon maturity, as a whole or partly, is insecure or in danger.

The valuation rules concerning currencies are applicable to this.

STOCKS

The purchased goods represent a relatively insignificant amount compared to the total of the section 'Operating charges'. They are allocated to the section 'Services and other goods' and consequently they are booked completely at the time of delivery.

LIABILITIES

PROVISIONS FOR LIABILITIES AND CHARGES

At the end of every financial year, the Board of Directors investigates with care, sincerity and in good faith, the provisions that have to be made in order to cover the provisions for liabilities and charges to be expected, i.e.:

- Charges inherent to major repairs and maintenance;
- Risks that resulted in the course of the financial year from clearly described future losses and charges;
- Losses or charges of a clearly defined nature, incurred during the financial year, but of which the amount is not yet determined;
- The obligations resulting from individual agreements concluded with members of staff, having a final character and that have materialised as agreements concluded within the framework of restructuring measures.
- The risk of losses because skyes is committed to a performance plan that sets the tariffs for 'en-route' activity for a certain reference period for the cost-efficiency part. Based on yearly updates of the traffic evolution prospects we calculate the losses that we will

AMOUNTS RECEIVABLE WITHIN ONE YEAR

The amounts receivable are booked at their nominal value or their purchase value and are subject to the same valuation rules as the amounts receivable after one year.

CURRENT INVESTMENTS

- The investments on time-deposit accounts are booked at their purchase value;
- The investments in transferable securities are rated at the market value, which measures in a useful way the yield of the investment for the covered period on the date of the report;
- The instruments that have a fixed amount payable at maturity, and which are not marketable on the market, are valued as if they had a constant yield level until their due date.

DEFERRED CHARGES AND ACCRUED INCOME

This section comprises:

- Costs to be carried forward, i.e. the pro rata of costs that were incurred during the financial year or the previous financial year, but which have to be booked to one or more subsequent financial years;
- Acquired profits, i.e. the pro rata of profits that are collected only in the course of a subsequent financial year, but which refer to the past financial year.

suffer due to the traffic risk for the remaining years of the reference period and that are our responsibility.

The provisions built up during the previous financial years are to be reviewed and written-back if they are no longer wholly or partially necessary.

AMOUNTS PAYABLE AFTER ONE YEAR AND PAYABLE WITHIN ONE YEAR

These amounts are recorded at their nominal par value.

The salaries and social security expenses are valued according to the current social and fiscal legislation and in line with the agreements concluded with the employees' unions.

The valuation rules concerning currencies are applicable to this.

ACCRUED CHARGES AND DEFERRED INCOME

The section contains:

- ➔ The imputable costs, i.e. the pro rata of charges that will only be paid in a future financial year, but which refer to the previous financial year;

- ➔ The deferred income, i.e. the pro rata of income that has been collected in the course of the financial year or a previous year, but which refer wholly or partly to a future financial year.

VARIABLES

GENERAL PRINCIPLES APPLICABLE TO THE VALUATION OF THE ASSETS AND LIABILITIES THAT ARE EXPRESSED IN CURRENCY

The transactions in foreign currency are converted into Euro at the rate of exchange the day of the transaction.

At the end of the financial year, the assets (intangible, tangible or financial) as well as the other assets and liabilities for the part of the balance of those accounts expressed or originally in currencies, are converted to the rate of exchange applicable at the time of their entry.

Note: C 6.10. Operating results - Pensions

In application of article 85, paragraph 2 of the RD of 30 January 2001, we have adapted the section "Staff Costs – Retirement and Survivor's Pensions" in note C. 6.10 to the specific features of our company. This section contains the contribution of 35% paid to the State, in accordance with the current value of the acquired and future retirement pension rights of the active staff members.

Additional mentions to NOTE C. 6.10 and to the SOCIAL ACCOUNTING C.6. "Workers for whom the company introduced a DIMONA declaration or who were entered in the General Personnel Register"

skeyes has introduced a DIMONA declaration for its statutory workers who are not bound by an employment contract (which means that the Employment Contracts Act is not applicable); they have been mentioned in the social balance sheet of permanent workers since the creation of skeyes.

Note on the end-of-career costs of air traffic controllers

Framework

In Belgium, just like in many other European countries, air traffic controllers are subject to a long-standing system whereby they acquire a non-active status a number of years before their pension. As part of this system, they receive a significant part of their salary without any performances in return. They remain however at the disposal of skeyes. The cost of this system is borne by the company, which adds it to the cost base it charges to its customers.

Since the creation of skeyes the costs of the air traffic controllers' non-active status have been entered under personnel costs at the time of payment of this compensation (consistent financial reporting framework).

In accordance with European regulations applicable to the charging of air navigation services, these end-of-career costs are financed simultaneously by charging customers. In application of the 'matching' concept in accounting, there is a consistency between the costs (compensation paid to the air traffic controllers) and the revenues (charging the compensation back to the customers).

The law of 31 July 2017 amending Article 176 of the law of 21 March 1991 confirms that skeyes does not have to make provision for obligations in respect of risks and charges for the non-active status and pre-pension leave of its staff.

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