

Annual Report

2021

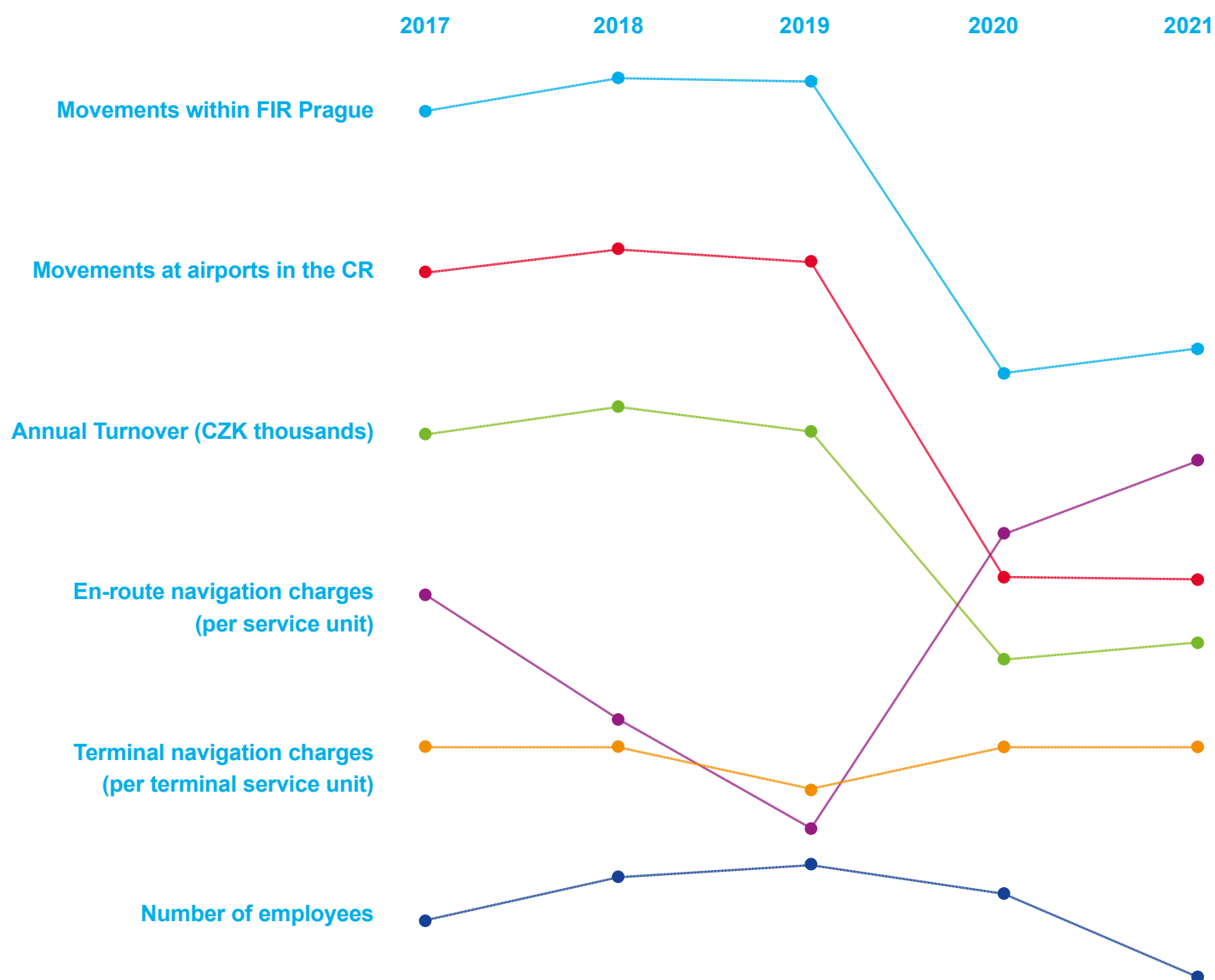


Air Navigation Services
of the Czech Republic

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Selected Performance Indicators



	2017	2018	2019	2020	2021
Movements within FIR Prague	853,364	912,817	906,666	379,535	423,792
Movements at airports in the CR	226,878	234,769	230,458	123,739	122,959
Annual Turnover (CZK thousands)	3,879,380	4,129,474	3,905,676	1,843,266	1,998,245
En-route navigation charges (per service unit)	1,134,76	1,078,54	1,029,20	1,162,07	1,194,99
Terminal navigation charges (per terminal service unit)	6,800	6,800	6,609.61	6,800	6,800
Number of employees	989	1,028	1,039	1,013	938

Turkish Airlines – Turkish national airline based at Istanbul Atatürk Airport, operates scheduled air transport to 161 destinations all over the world and represents one of the most important customers for our company. Its air fleet is comprised of 206 aircraft.



A Foreword from the Director General



Dear ladies and gentlemen and aviation fans,

As in the previous years, I would like to use this part of the Annual Report to present the major events and developments of our business and sector over the past year.

I must admit that we expected much more from 2021. As we all know based on our personal and professional experience, the fight against the global pandemic of COVID-19 and its mutations once again became a sad reality. Air transport also had to cope with this development all over the world.

Once again, it was demonstrated that those who accept the current developments in aviation as a fact and want to successfully overcome this stage must exhibit a high degree of flexibility and willingness to change. It is logical that such changes and measures are unpopular and sometimes painful. Nevertheless, even such a crisis may also be an opportunity for us to prepare for renewed operations and interest in air transport. Such renewal is sure to come, the question is only when. I am therefore pleased that both our company and our employees were able to accept the necessary changes over the past year and were getting ready for the future on an ongoing basis.

A fundamental change from the pre-pandemic period is the development of air traffic in the Czech airspace. Our results are still well below the 2019 figures, which serve as an objective benchmark. Moreover, the drop in air traffic in the Czech Republic was above the European average, which is an unpleasant consequence of the change in preferred flight routes in relation to the sufficient capacities in airspace of the neighbouring countries. The summer flight season aspired to significantly reduce our relatively large loss sustained in spring months both in en-route and terminal navigation services. Unfortunately, the autumn season and the rapid onset of the delta variant of coronavirus reversed this positive trend again.

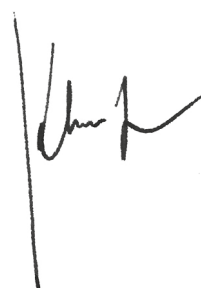
Consistent implementation of reasonable austerity measures in combination with slightly increased revenues enabled us to reduce our loss. Our economic results also ensured our financial stability and ability to fulfil our obligations towards both, our employees and suppliers. The fact that the Performance Plan of the Czech Republic was endorsed for approval is for us a positive signal as regards the stability of prices for our services and it also gives us some certainty in relation to our justifiable costs in the current reference period.

For us, 2021 also saw two key operational and systemic changes of European significance. The successful introduction of free flight routes in the Czech airspace (FRACZECH) markedly increased the convenience of planning for air carriers while reducing the negative impact on the environment. Since the second half of the year, the efforts of a large number of employees of our company were aimed at preparing the operational transition to the new TopSky – ATC system and related intensive training of air traffic controllers. We succeeded in achieving this goal in February 2022. The Czech sky and airports where we render our services are thus under control of a system of new generation with a great development potential to meet the requirements of our customers in the long run. I would like to extend my sincere thanks to all our colleagues who have done a great deal of work on the whole project.

Paradoxically, when the whole world and air transport began to prepare for return to a normal life without restrictions, face masks and quarantine, another, in a civilised world almost unthinkable, blow hit us. A brutal Russian war was waged against Ukraine, a country close to us in terms of its language and history and, for many of us, also because we have or know many Ukrainian friends and colleagues. The impacts of the conflict on air transport is not perhaps the most important thing we should be interested in at the moment. The whole situation will soon become the subject of more precise forecasts of development in civil aviation, but it is logical that the coming of the turning point for the better has been significantly delayed by this war for many reasons.

I am proud of our company and its employees for having joined in active direct assistance to our colleagues from UkSATSE from the very beginning. Likewise, after Ukraine's victory and peace establishment, we are ready to begin to participate in the rapid reconstruction of its infrastructure for safe air traffic control services.

The most important aspect that does not change even in times that are unfavourable for aviation is the professionalism and loyalty of our employees. These lay the basis for good relations of our company with the state administration, our customers, and suppliers as well as the general public which sees us as a modern and successful Czech company. Let me therefore extend my sincere thanks to everyone again. On behalf of the company management and myself, I can assure you that we will do all we can in order to be able to evaluate the year 2022 only positively.



Mr. Jan Klas
Director General

Company Top Management



Mr. Jan Klas

Director General

Graduating from the University of Transport and Communications in Žilina, specialising in aviation, Jan Klas has been working in the field of air traffic control since 1986, where he has served in several managerial positions. In 1999, he commenced working for the EUROCONTROL (European Organisation for the Safety of Air Navigation) as a director of its organisational unit CSPDU (CEATS Strategy Planning and Development Unit) in Prague. This organisation is responsible for the methodology and development of Central European air traffic control services under the CEATS project. He was appointed Director General of ANS CR on 1 October 2007. In 2018–2020, he served as the Chairman of the European Executive Board of Directors (EC3) of CANSO.



Mr. Petr Fajtl

Executive Director of the Operations Unit

Graduating from the University of West Bohemia in Pilsen, Faculty of Law, Petr Fajtl has been working for the company since 1987. Between 1987 and 1995, he worked as an air traffic controller at the ACC Prague. From 1 December 1995 to 31 October 2000, he was the head of the Training Centre. On 1 November 2000, he was appointed ANS Planning and Development Division Deputy Director. Since 1 January 2001, he served as the ANS Planning and Development Division Director. Since 1 January 2018, he has held the post of the Executive Director of the Operations Unit.



Mr. Radovan Okenka, M.Sc.

Executive Director of the Finance Unit

He graduated from the Slovak University of Agriculture in Nitra, branch of study Commercial Services in Agricultural Engineering. He also studied international business at the International Agricultural College Larenstein in Deventer, the Netherlands, and business and finance management at the Iowa State University and at the Institute of Business Development and Management, University of Delaware, Newark, USA, where he graduated as Master of Science in 2001. On 1 July 2020, he joined ANS CR as the Director of the Finance Division. Since 1 January 2021, he has held the post of the Executive Director of the Finance Division.



Mrs. Miloslava Mezerová

Director of Human Resources and Logistics Unit

Having graduated from the University of Economics and Business, Faculty of Commerce, she worked for an overseas trade company. She has been working for ANS CR since 1998. In 2001, she became the head of the Labour and Wages Department in the Human Resources Division. On 1 February 2008, she was appointed Director of the Human Resources Division, and starting from 1 January 2012, also managed the Finance Division. From 1 January 2018, she held the post of the Executive Director of the Finance and Administration Division. On 1 January 2021, she was appointed Director of Human Resources and Logistics.



Mr. Luboš Hlinovský, MBA

Director of the International Coordination and Strategy Unit

Having graduated from the University of Economics and Business, Faculty of Economics, he joined ANS CR in 1990. Previously, he had worked for the Economics Institute of the Czech Academy of Sciences. On 1 May 1998, he was appointed Deputy Director of the Finance Division. On 1 January 2001, he became the Director of the Finance Division. In 2006, he graduated from the Maastricht School of Management, where he was awarded a Master of Business Administration degree. Since 1 January 2012, he has been managing the Division of Strategy and Management Support. This unit was renamed as the International Coordination and Strategy Division on 1 January 2021.



Mr. Petr Vozdecký

Director of the Safety Unit

Having graduated from the University of Military Aviation in Košice, he worked as air navigator for military transport aviation since 1990, and from 1993 to 2000, as an air traffic controller at Prague-Kbely Airport. In 2000, he joined ANS CR at APP Prague/TWR Ruzyně initially as an air traffic controller. From 2013, he worked as an ATS Inspector. In 2014, he was appointed Head of the Audit Department and on 1 January 2018, he was appointed Director of the Safety Division.

Supervisory Board

Mrs. Magdalena Faltýsková
Chairman of the Supervisory Board

Mr. Zdeněk Jelínek
Deputy Chairman and Secretary of the Supervisory Board

Mr. Stanislav Pleninger, Ph.D.
Supervisory Board Member

Major General Mr. Petr Hromek
Supervisory Board Member

Mr. Vít Soukup
Supervisory Board Member

Mr. Aleš Kořínek
Supervisory Board Member

Qatar Airways/Qatar Cargo – Another major customer of our company is based at Hamad International Airport, from where the airlines' nearly 233 aircraft fly to about 150 destinations worldwide. It is regularly evaluated as the best airline globally.



Company Profile

Air traffic and the associated provision of air navigation services have endured dynamic development which globally negatively affected the air traffic sector in relation to the receding COVID-19 pandemic. One of the major factors influencing the activities of the company is the legislative environment created by the European Commission as the transnational regulator. It supports cooperation with other providers of air navigation services, and simultaneously competition. New rules of operation define ATM services as a market where every service provider has to find its own position.

In such a demanding environment, the company has been built as a reliable and dynamically developing element in the field of air navigation services. The characteristics of the company's mission and its ambitious vision are also reflected in the ethical values of respecting and promoting which help create the corporate culture.

History

The state-owned company Air Navigation Services of the Czech Republic (ANS CR) was founded on 1 January 1995 under the resolution of the Minister of Transport and Communications dated 28 December 1994. ANS CR is incorporated in the Commercial Register maintained by the Municipal Court in Prague, Section A, File 10771.

Mission

The mission of ANS CR is to provide safe, high quality and cost effective air navigation services in accordance with our customers' expectations both at a national level and in the context of ATM development in Europe.

Vision

ANS CR is a dynamic, stable and reliable, socially responsible and sustainably developing component of civil aviation in the Czech Republic, actively contributing to its further development. At the same time, it is a self-confident element of the integration and liberalisation processes in the European ATM environment, where its overall value and competitiveness will further increase. In order to participate in the liberalisation processes effectively and actively, the company strives to achieve the standards best suited to international integration efforts.

Policy

The fundamental rule of ANS CR is to create and develop an environment which is in harmony with the corporate mission and vision. This environment is regularly evaluated and experience gained from the process is used for its ongoing improvement.

Our policy in the following areas stems from the corporate values, which include professionalism, emphasis on vital skills, customer orientation, success, and innovation. To satisfy this policy, sufficient resources are provided and best practices are used.

Safety

- The highest priority in the provision of air navigation services is an ongoing improvement of safety and minimisation of the company's contribution to risk of air accidents.
- Safety enhancement is based on implemented air traffic occurrence reporting systems compliant with the Just Culture principles.
- The aim of occurrence investigation is not to apportion blame, but to find root causes to allow for the application of effective measures to prevent recurrence. Thus, the system's resistance to undesirable occurrences in air traffic increases.
- The level of company safety culture is continuously increased while the participation of all employees and other stakeholders in safety improvement is actively supported.

Performance and Effectiveness

- Through the optimisation of airspace management and the implementation of new operational concepts and procedures in ATM, ANS CR has been increasing the attractiveness of airspace in the Czech Republic. At the same time, ANS CR ensures the capacity needed to provide air navigation services with a high level of safety and minimum delay in accordance with the European Commission's performance targets and customers' requirements.
- In accordance with customers' expectations, the cost-effectiveness of air navigation services provided has risen.

Environmental Protection

- Environmental issues are addressed proactively both in the provision of air navigation services and in other corporate activities. We endeavour to minimise a negative impact on the environment.

Security

- We manage security risks and protect all company assets against acts of unlawful interference.
- As an entity engaged in the national critical information infrastructure, ANS CR takes an active approach to issues of data protection, information systems and cyber security.
- Security measures are set to correspond to current threats, requirements of national and international legislation, security standards, and best practice in the sector.
- We coordinate our security activities with the Police of the Czech Republic, the Armed Forces of the Czech Republic, the Fire Rescue Service of the Czech Republic, and other governmental institutions.

Customer and Partnership Approach

- Maximum fulfilment of customers' expectations.
- All services are provided in an open and non-discriminatory manner.
- Relationships with customers and suppliers are built upon mutual trust.
- Cooperation with partners is built upon mutually beneficial conditions.

Human Resources Management

- Recruitment, training and development of operational personnel are our priorities.
- Creating a professional, stable and prestigious working environment.
- Building an attractive employer brand to succeed within the labour market in competition for high quality personnel.
- Systemic improvement in the awareness of safety, company assets protection and environmental protection, making them an integral part of the mindset, behaviour and work habits of all employees.
- Social consensus, employee involvement and work-life balance.
- Dialogue with all social groups across the company.

Systemic and Process Approach

- Ongoing improvement of the integrated management system focused on balanced and sustainable development of the company.
- The integrated management system includes a safety management system, a quality management system, an environmental management system, and a security and information security management system. In each of these fields, responsibilities and powers are defined both on managerial and individual levels.
- Systemic monitoring, participation in defining regulations and fulfilment of the requirements of national and international legal regulations and further requirements related to company activities.

Monitoring, Measurement and Review

- In accordance with recommended standards, the integrated management system is regularly reviewed.
- Key processes are documented, monitored, measured and assessed. Based on these facts, their effectiveness and performance are subsequently enhanced.

Strategy

ANS CR will become a commercial company whose activity will be based on its main mission – the provision of air navigation services. Its activities will be based on established values, which include professionalism and emphasis on vital skills, customer orientation, success, and innovation. Its organisational structure and organisational legal form will be built to allow for a rapid and effective response to any change in the demand structure and volume and exercise of competitive advantages.

Our portfolio of activities and services will form a part of the European air navigation services and air traffic management system especially in the Czech Republic and also in the airspace of other states based on operational needs, competitive advantages and success of the business policy. Each component of the portfolio will be implemented in cooperation with partner companies if it is advantageous for the company.

Main Scope of Activities

The scope of ANS CR activities includes in particular:

- Provision of air navigation services in the Czech Republic's airspace at Prague, Brno, Ostrava and Karlovy Vary airports,
- Air traffic flow management,
- Organisation and management of airspace use,
- Provision of search and rescue services,
- Provision of aeronautical information services,
- Securing of operation and maintenance of the infrastructure for services provision,
- Organisation and management of specialised training and education for employees of ANS CR in the Czech Air Navigation Institute (CANI), and
- Aerial work and other air activities.

Our Main Customers

In 2021, the main users of ANS CR services were the following airlines: Ryanair, Qatar Airways, Turkish Airlines, Wizz Air, Emirates, Smartwings, Lufthansa, Etihad Airways, EasyJet, KLM, Austrian Airlines, Pegasus Airlines.

Our Main Partners and Suppliers

Our main partners and suppliers notably include: Czechoslovak Group a.s., ATRAK a.s., CS SOFT a.s., Czech Hydrometeorological Institute, THALES LAS FRANCE S.A.S., O2 Czech Republic a.s., SMP CZ a.s., AERODATA AG, Letiště Praha a.s., Pražská plynárenská a.s., TECHNISERV s.r.o., etc.

Membership in Organisations and Associations

ANS CR is a member of:

- **Civil Air Navigation Services Organisation (CANSO)**

based in Amsterdam, since 1998. The main mission of CANSO is to create a global platform for the mutual exchange of information and support to customer orientation during the provision of air navigation services. ANS CR is represented in thirteen CANSO work groups at a global level and in seven work groups at the European level. The work groups are focused on a broad spectrum of activities relating, in particular, to the collection and exchange of information in the field of air traffic control such as safety, CNS/ATM, environment, human resources, law and finance, etc.

www.canso.org

- **Air Traffic Control Association, Inc. (ATCA)**

based in Arlington (USA), since 1995. This Association aims to promote further development of civil aviation, particularly in the provision of air navigation services.

www.atca.org

- **Czech Chamber of Commerce,**

since 2009. The Chamber is a body representing the Czech business community which protects the interests of its members associated in the regional network of chambers and incorporated trade associations. The main mission of the Chamber is to create entrepreneurial opportunities and to promote and support measures that contribute to development of entrepreneurship in the Czech Republic and thus to the overall economic stability of the country.

www.komora.cz

- **GNSS Centre of Excellence Association,**

since 2013. The aim is cooperation and intensive involvement in European development programs in the field of navigation satellite technologies (design and publication of GNSS approach procedures). It also serves as an incubator for entrepreneurial activities connected with the usage of the Galileo global navigation satellite system. The GNSS Centre of Excellence also promotes the image of association members as innovative companies developing and using state-of-the-art technologies.

www.gnss-centre.cz

- **Confederation of the Czech Aviation Industry**

(CCAI), since 2014. The Confederation contributes to the strengthening of competitiveness of the Czech aviation industry and implements projects in the area of human resources management, aviation training, supply chain development, and integration of contractors' capabilities.

www.sclp.cz

- **Association of Critical Infrastructure of the Czech Republic (AKI CR),** since 1 December 2019. The mission of the association is to create optimal conditions for the operation and protection of the critical infrastructure, to support research and development in the sphere of operation and protection of the critical infrastructure, to raise awareness of the critical infrastructure issues, and to defend some specific common interests of members of the Association.

www.akicr.cz

ANS CR actively represents the Czech Republic in the following organisations:

- **European Organisation for the Safety of Air Navigation (EUROCONTROL)** based in Brussels, of which the Czech Republic has been a member since 1996. EUROCONTROL is an intergovernmental organisation with 41 Member States and 2 Comprehensive Agreement States outside of European territory (Israel and Morocco). The organisation is working to achieve safe and seamless air traffic management (ATM) across Europe.
www.eurocontrol.int

- **International Civil Aviation Organisation (ICAO)** of which the Czech Republic has been a member since 1944. ICAO is the most representative governmental organisation in the field of civil aviation that has a significant status in the UN structure.
www.icao.int

Integrated Management System (IMS)

The Integrated Management System implemented in ANS CR includes: Quality Management (QMS), Safety Management (SMS), Environmental Management (EMS), Security and Information Security Management (SeMS).

The maturity level within individual areas of the integrated management system in 2021 corresponded to the requirements laid down by relevant stakeholders. The implementation and development of the IMS contributes to ensuring and maintaining a high standard of service, management, communication, customer and employee care.

The performance and development objectives of IMS, set out in the ANS CR Annual Plan, have been met. These objectives were primarily focused on improving the maturity level within individual areas of IMS in accordance with the ANS CR Business Plan.

Main activities and IMS development

A successful re-certification external audit of quality and environmental management systems was conducted in March 2021, to verify compliance with the requirements of ČSN EN ISO 9001:2016 and ČSN EN ISO 14001:2016. The audit was carried out by representatives of the certification company DNV. Due to the ongoing COVID-19 pandemic, the audit was partly carried out in a distance form. The audit proved a high level of management of both the quality management system and the environmental management system in ANS CR. No nonconformities of category one or two were found during the audit, i.e. non-conformities of significant and minor importance, which could have a major impact on the implemented systems or potential impact on the environment.

Throughout 2021, continued the intensive development of the compliance management system called „Compliance module“, which is part of the internal documentation management system from 2019 onwards. This module provides an overview of the current state of the internal documentation compliance with the applicable legislation so as to reflect its changes in a timely manner.

Despite the difficult conditions in the context of the COVID-19 pandemic, internal audits continued, focusing in particular on the state of compliance of company processes

with selected European legislation, risk assessment and risk prevention by appropriate measures. Where applicable, internal quality audits were also focused on GDPR (personal data protection), possibly extended to economics, accounting and financial reporting.

Safety

Striving for the maximum flight and passenger safety is our priority. We are developing a continuous effort in increasing safety with the aim to minimise the risk of the occurrence of a flight accident. The improvement of safety performance has been an integral part of our performance plan, besides others.

Safety Performance

There were 483 occurrences reports filed within the mandatory reporting system in 2021.

ANS CR was directly involved in 9 and indirectly in 10 of incidents. None of the air traffic occurrences caused by ANS CR was classified as the Accident category in terms of overall impact on air traffic safety. None of the occurrences with the direct or indirect involvement of ANS CR was classified as Serious Incident. Four of the occurrences were classified as Major Incident, seven were classified as Significant Incident.

61 occurrences were related to the technical systems supporting the provided services, out of which 45 were ATM specific with the direct (44) or indirect (1) involvement of ANS CR. None of the 45 occurrences specific for ATM systems affected a safety provision of air navigation services, 25 of them were completely without any effect on safety (no safety effect) and 20 has led to degradation of services, but without the effect on safety (safe but degraded ATM services).

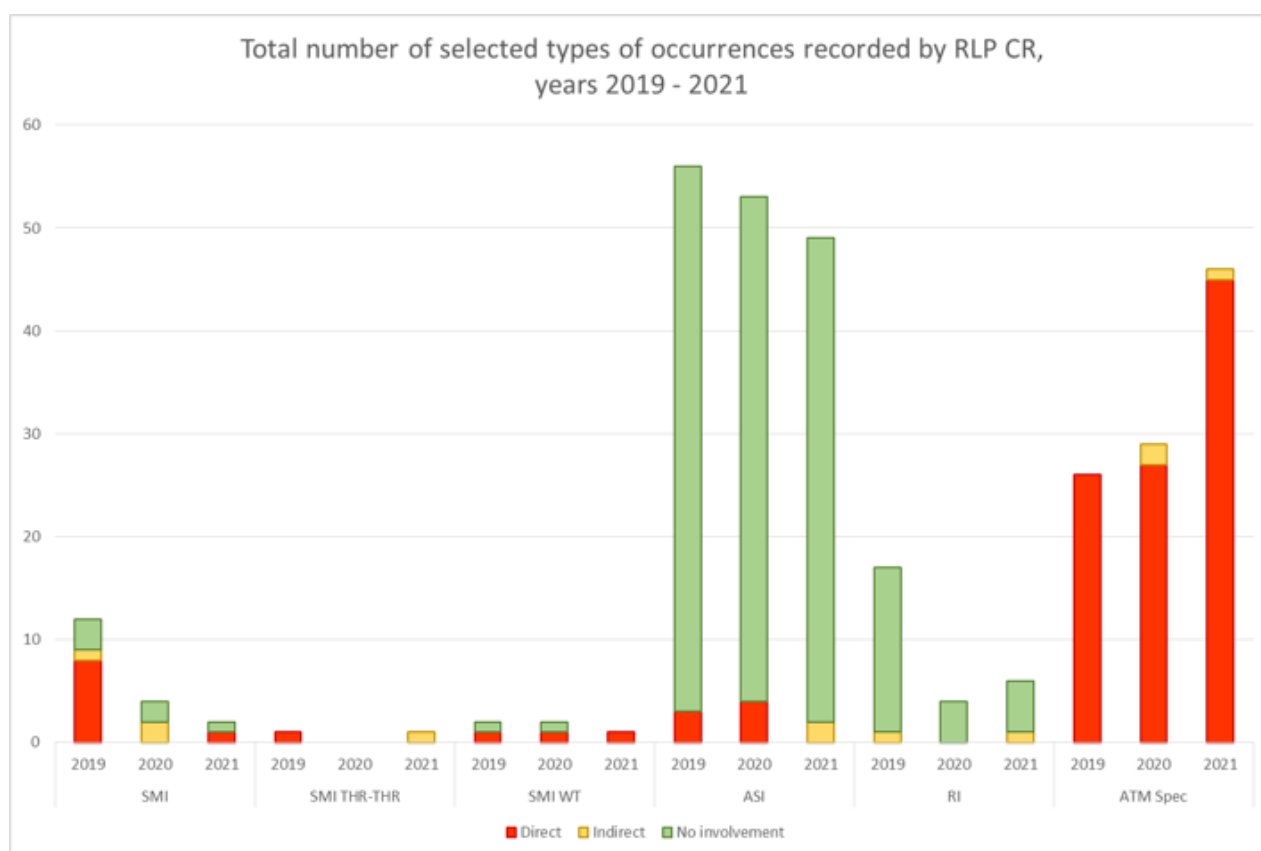
The potentially most serious types of occurrences with the respect to air traffic safety include separation minima infringement (SMI), separation minima infringement threshold-threshold (SMI THR-THR), wake turbulence separation minima infringement (SMI WT), incorrect presence of an aircraft, vehicle or person on the protected area of a surface designated for the landing and take off of aircraft (Runway Incursion – RI), unauthorized penetration

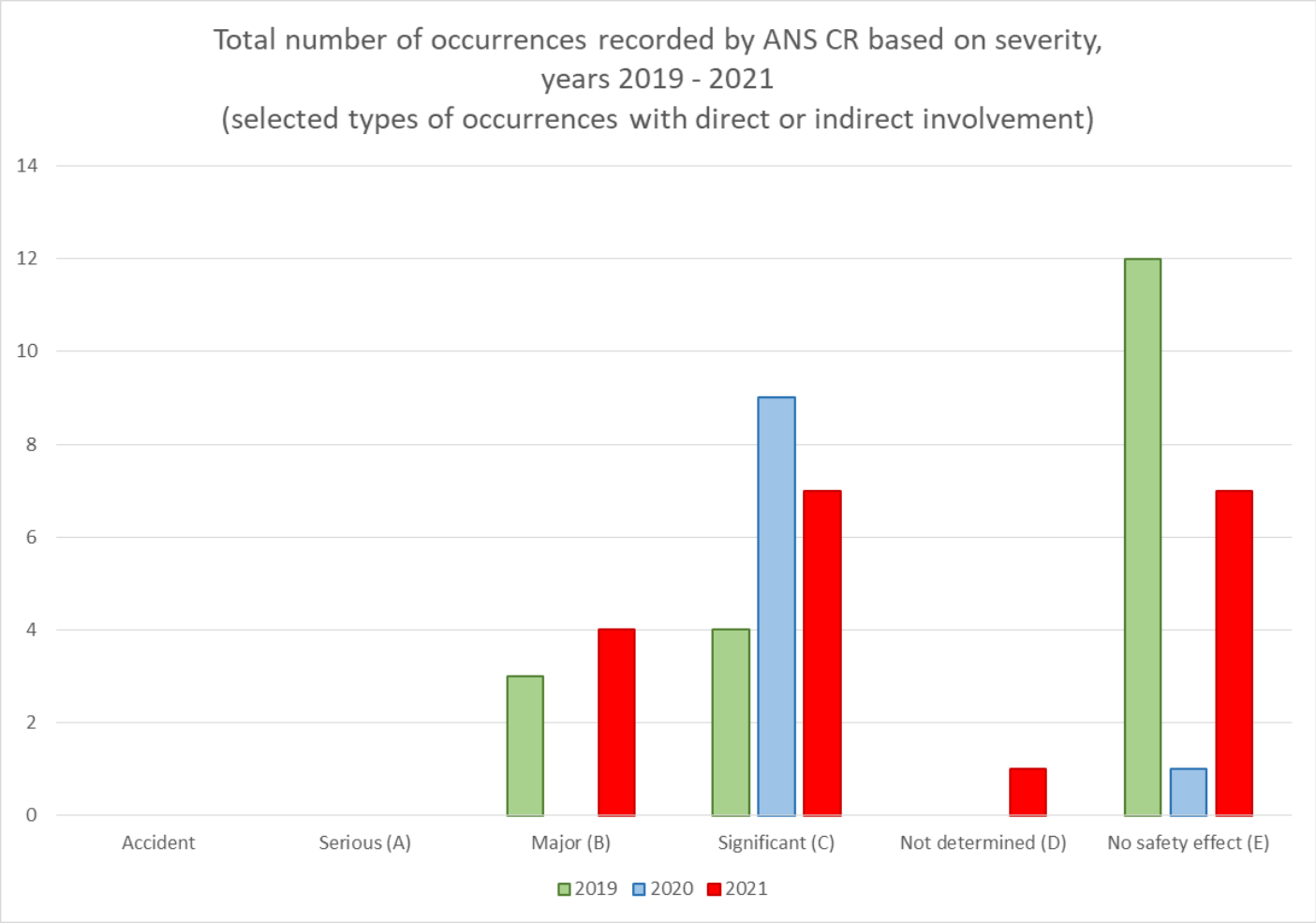
of controlled restricted and prohibited areas (Airspace Infringement- ASI).

Summary of the most serious types of occurrences in 2021:

- one case of separation minima infringement (separation minima infringement - SMI) with direct involvement of ANS CR occurred,
- there were three cases of loss of separation between IFR and VFR flights in class D airspace requiring a manoeuvre with indirect involvement of ANS CR,
- one case regarding the separation minima infringement threshold-threshold (SMI THR-THR) with indirect involvement of ANS CR occurred,

- One case of wake turbulence separation minima infringement (SMI WT) with the direct involvement of ANS CR occurred,
- There were six cases (4 in Prague Ruzyně, 2 in Brno Tuřany) of incorrect presence of an aircraft, vehicle or person on the protected area of a surface designated for the landing and take off of aircraft (runway incursion – RI), one with indirect involvement, the rest without involvement of ANS CR,
- In 49 cases, unauthorized penetration of areas (Airspace infringement – ASI), 4 cases with the indirect involvement of ANS CR and the rest of cases without involvement of ANS CR.





As a positive fact can be evaluated that in terms of severity, the substantial part of all these incidents were classified in the two lowest categories of safety impact. There were 74 accidents in Prague FIR, but ANS CR was engaged in only as the addressee of the occurrence notifications. On the basis of these notifications, search and rescue services were provided.

In terms of the total number of occurrences involving ANS CR and of their severity it is possible to evaluate that high level of safety of provided air navigation services has been maintained in 2021.

Safety Management System Performance

According to European legislation, safety is one of the key areas of performance monitoring. Year 2021 was the second year of the third reference period (RP3, from 2020 to

2024), for which the minimum level of safety management performance has been set; this has to be achieved by ANS providers, certified for this area of business. This key performance indicator measures the level to which the following safety management targets have been achieved:

- a) safety policy and Safety targets,
- b) safety risk management,
- c) safety assurance,
- d) promoting safety,
- e) safety culture.

For all five objectives (measured using the EoSM questionnaire validated by the CAA and focused on individual parts of the Safety Management System), ANS CR in 2021 met or exceeded the values set by the ANS CR Business Plan, pp. 2020-2024.

Safety management target	2021 target	2021 results
Safety policy and Safety targets	C	C
Safety risk management	C	D
Safety assurance	C	D
Promoting safety	C	D
Safety culture	C	D

Main activities and Safety improvement

Pro-active safety

In order to achieve a high level of safety, ANS CR has implemented a formalised, pro-active Safety management system according to the current best practice.

This system has proven its effectiveness during the COVID-19 period, when the operation faced not only routine types of changes, but also changes that arose as consequences of the anti-COVID-19 measures.

The practice, where all changes concerning people, procedures and equipment or airspace structures, are to be assessed for safety risks, is still being applied. Safety studies are produced in each case, which provide evidence that the planned changes will be implemented with the acceptable level of safety.

In 2021, the methodology for the safety assessment of the functional system changes was extended by new elements related to the Human Factor, resp. Human Performance (HF / HP). These were previously tested in several selected projects and further adapted to the environment of ANS CR.

Safety Culture area, incl. Just Culture

After several years of experience with Just Culture (since 2013), it can be stated that in ANS CR, Just Culture principles are respected by all interested parties: management, safety investigators and operational personnel. Since its implementation till the end of 2021, 259 voluntary reports have been recorded. In 2021, the number of voluntary reports increased approximately to 110 % of a long term average. The fact that the option to file a report anonymously was used only in a few cases, shows a positive approach among the employees.

Based on recommendations stated in the Safety Culture survey final report, issued in 2021, improvement measures have been set. These improvement measures will be used in defining the annual goals of individual company departments. Some improvement measures have already been implemented during the evaluation of the final report.

The company is further improving existing processes: in 2021, the internal documentation regarding Just Culture was updated and continuous Just Culture training carried on using updated e-learning module. Just Culture training (lecturing) continued in a distance form. Up-to-date information on Just Culture is available to all employees on the intranet Safety portal page.

Safety Management System Improvement

In 2021, based on the experience gained, the procedures introduced in the previous year were further modified in accordance with the new Commission Implementing Regulation (EU) 2017/373, which defines the basic requirements for the Safety Management System.

The basic means of improvement, however, is still represented by the participation of ANS CR in the annual self-assessment of Safety Management System within the Eurocontrol/CANSO Standard of Excellence in Safety Management System (SoE). This tool helps in the search for options leading to the improvement beyond the mandatory above-mentioned EoSM questionnaire and beyond the regulation.

Moreover, all outputs from both SoE and data on the number of incidents like loss of separation and runway incursion, are shared by ANS CR openly. Analysis, discussions and experience sharing with other ANSPs within CANSO open new ways to use these data for the improvement of safety.

ANS CR also cooperates closely with the surrounding providers of air traffic services, for example thanks to activities within FAB CE, which in 2021 were focused mainly on sharing best practices, for example in connection with the implementation of the above-mentioned new European regulation. In addition, as part of FAB CE, we have signed cooperation agreements with neighboring providers, enabling easy exchange of safety information.

Safety Monitoring

ANS CR runs its own semi-automated monitoring system, which is continuously watching and assessing the parameters related to safety and fluency of air traffic. The parameters have been set according to the requirements of European and other legislation and also according to the internal needs of the company. The system was further improved in 2021.

Important projects

In 2021, activities related to ensuring the safety of the implementation of the new TopSky main system and related changes took place intensively.

ANS CR experts were also participate (including preparation of a safety assessment) on a project led by the CAA, which concerns the increase of the upper limit of class G airspace.

International activities

The improvement of Safety management is also being supported by the participation of ANS CR representatives in CANSO Safety Standing Committee, in (CANSO) Safety Information Exchange Programme and in CESAF (CANSO European Safety Directors), in Eurocontrol Safety Team and other related working groups (i.e. Safety Management Tool User Group or SAFOPS, Operational Safety Group). These activities continued successfully in 2021, thanks to the very efficient use of resources for online meetings.

On the one hand, this ensures access to information on the latest developments; on the other hand, all these forums are increasingly focusing on sharing information and best practices to improve both safety management system and, in particular, safety itself.

Environment

Ensuring sustainable development of air navigation services while minimising an adverse impact on the environment is one of the priorities of our company.

ANS CR takes environment into consideration in all of its activities. It uses operational concepts which reduce the negative impact on the environment, and approaches the facility management with the aim of preventing environmental pollution and reducing the use of non-renewable raw materials and energy sources without compromising the safety and continuity of air navigation services.

Environmental performance

Environmental Management System (EMS) enables the company to approach the environment actively both in the provision of air navigation services and in other business activities (facility management). As before, in 2021 ANS CR carried out all its activities so as to meet the obligations of all relevant environmental legal regulations.

Within the scope of air navigation services provision, the company contributes to the reduction of the amount of emissions produced by the air traffic in the airspace of the Czech Republic through the application of the FRACZECH concept – on February 25th, 2021 free route airspace (FRACZECH) was implemented in Praha FIR.

ANS CR carries out a greenhouse gas inventory (carbon footprint calculation) each year. The calculation for 2020 was done as a full carbon footprint. The calculation has been carried out according to both the GHG Protocol and the ISO 14064-1 standard. The total amount of greenhouse gas emissions for 2020 equalled 11,199 t CO₂ equivalent. The most significant share of the carbon footprint is represented by the emissions from purchased electricity (approx. 66%).

Also within the facility management, environmental emergency situation drills at respective localities have been carried out and evaluated in line with the emergency preparedness plan.

Environmental Planning and Development

For 2022, further enhancement of EMS maturity is planned, namely the update of the environmental aspects register, company environmental performance assessment, environmental monitoring, emergency situation drills and more steps to reduce the greenhouse gas emissions.

Security and Information Security

The practical implementation of the Security management system (SeMS) continued to be significantly impacted by COVID-19 pandemic. In connection with this, remote access to the company's information systems has become a new effective standard of performance.

Further optimization of key processes took place and the cyber security of air navigation services and the integrity of their data during the implementation of new systems were intensively addressed in the form of risk analyses and the implementation of measures.

International Relations

ANS CR continuously works as an active member of working groups of CANSO and NEASCOG platform, which is responsible for inter-connected activities of NATO and EUROCONTROL. The activities of these groups took

place despite the pandemic crisis, and CANSO working groups in particular worked online and continued to defend the interests of member organizations in preparing new EU legislation to standardize cyber security measures throughout the aviation sector.

Audit and inspection Activities

In line with the National quality control programme ANS CR conducted the next large scope of prescribed audit and inspection activities aimed on assuring that implemented security measures are working smoothly and efficiently. Security audits, inspections and penetration tests were permanently aimed at the measures in the areas of air navigation services providers, known suppliers of airport supplies and corporate security.

The services provided by suppliers to the critical infrastructure of ANS CR were subjected to a thorough revision and the requirements for information and cyber security associated with the activities of these suppliers were optimized.

The ever-changing security environment required a flexible response to new security threats and vulnerabilities. Ongoing activities included rigorous monitoring and proactive responses.

International ATM relations

One of the main topics on the international scene for the last year were discussions about the novelisation of the Single European Sky legislative framework (SES II+). The new framework package was introduced by the European Commission (EC) already in 2020. During the 2021 the process moved on to the next level – so called trialogue discussions, in which the three co-legislators – the EC, the European Parliament and the Council of the EU, representing the Member States – are working together on the final compromise text. Even though the parties agree on a number of common principles – e.g. partial liberalisation of the ATM market, focus on network cooperation or a necessity to update the performance and charging schemes – there are still some significant disagreements how those principles shall be implemented. Therefore it can be expected that the discussions will continue at least until the second half of 2022 and thus also to the period of the Czech presidency of the Council.

Another significant legislative milestone of 2021 was the approval of the framework for U-space. In April, the Commission approved three basic regulations providing regulatory, technical and operational framework for the gradual integration of unmanned aviation to the ATM environment. The process continues by drafting of the implementing rules and guidelines as the principles shall be fully implemented by 2023.

Traffic decrease caused by the COVID-19 pandemic had also a significant impact on the preparations of the Performance plans for the third reference period (RP3, 2020-2024). The approval process of the initial drafts was suspended already in 2020. Even though the volatility of the current situation makes it very hard to provide a reliable forecasts, the Commission decided to introduce a revised set of performance targets and thus the Member States had to provide a revised performance plans as well. Their approval is expected during 2022.

The environment issues have been getting to the forefront also in ATM. Increased focus on the environment topics is evident not only in the SES II+ framework mentioned above, but in the attitude of the Commission and various stakeholders' initiatives as well.

The ANS CR participates in the international discussions through many channels, including activities in European office of Civil Air Navigation Services Organisation (CANSO) and Functional Airspace Block Central Europe (FAB CE), which are briefly summarised below.

CANSO



SHAPING OUR FUTURE SKIES

The European office of CANSO was subject of an internal reorganisation, which shall result in its more proactive and agile attitude. It comprises of utilisation of ad-hoc groups, established with a clear task and for a limited period of time only and also establishing the new Strategical-Political Group (SPG). It is followed by an update of the communication strategy. One of the first examples of the new attitude is establishment of a group dealing with the ANS Charging, into which the Director General of the ANS CR was appointed.

External activities of CANSO followed the key topics of the international scene – including the preparations of SES II+ positions, coordination of inputs for the RP3 discussions, U-space or last but not least a promotion of the environmental study Destination 2050, co-authored by CANSO.

In October, and after a one year pause, CANSO also co-hosted the ATM World Congress in Madrid, the biggest fair in the field. The ANS CR was represented by the top-level management delegation.

Functional airspace block in Central Europe – FAB CE



It is no coincidence that the most important topics of the FAB CE copied events on the international scene as well. The issue of the future shape of U-space was coordinated at FAB CE level in a very significant and detailed way, especially in the context of the aforementioned approval of the European framework. In the light of these legislative developments, a common platform for information sharing



and associated U-Space Airspace Coordination Group has been established. The aim is to promote the information exchange, best practices and other relevant data in the field of U-Space implementation.

Another key topic was the continuous interFAB cooperation with the Network Manager on the future

of Free Route Airspace, which is carried out through the Airspace Task Force for the third year.

Besides the Free Route Airspace, the backbone of the project level work consisted mainly of three technical projects; namely ADS-B Deployment, DataLink Performance Monitoring and SSR Frequency Monitoring. These projects were successfully completed under the leadership of the representatives of the ANS CR.

SESAR



The Single European Sky ATM Research (SESAR) is the technological side of the EU Single European Sky (SES) initiative. At present, both of its key phases are running in parallel within SESAR. It is a development phase (2008–2020+) focused on the research and development of new technologies and procedures in ATM, and the deployment phase (2014–2020+); which manages their controlled implementation. The development part of the programme is coordinated by the SESAR Joint Undertaking (SJU), while deployment is primarily in the hands of the SESAR Deployment Manager (SDM). The SESAR programme is largely co-financed by the EU.

Throughout 2021, ANS CR actively participated in both phases of SESAR. At the development stage - called SESAR 2020, ANS CR participated as part of the B4 consortium, which is a direct member of the SJU. This consortium is a joint group of four air navigation services providers from Poland (PANSR), the Czech Republic (ANS CR), Slovakia (LPS SR) and Lithuania (Oro Navigacija).



Co-financed by the Connecting Europe Facility of the European Union

In the SESAR 2020 programme, we have actively participated in the following projects during the past period:

- PJ.05-W2: Digital Technologies for Tower (DTT),
- PJ.07-W2: Optimised Air Space Users Operations (OAUO),
- PJ.10-W2: Separation Management and Controller Tools (PROSA),
- PJ.18-W2: 4D Skyways,
- VLD2-W2: Surface Traffic Alerts Improve Runway Safety (STAIRS),
- PJ.34-W3: ATM U-space Interface (AURA),
- PJ.38-W3: Downlinking Flight Trajectory to improve ATM performance (ADSENCIO),
- USpace4UAM: U-space for Urban Air Mobility.

A new SESAR 3 Joint Undertaking (S3JU) was also set up in 2021. It will manage the SESAR 3 programme, which will build on the existing SESAR 2020. In addition to the two key founding members, the European Commission and EUROCONTROL, there are more than 50 founding members of S3JU, including ANS CR. Unlike the company's previous membership in the SJU, which was based on the membership of the joint B4 consortium, ANS CR is now an independent member of the SESAR 3 Joint Undertaking. The launch of the first calls for projects under SESAR 3 is expected during 2022. The projects shall be executed in 2023-2030.

In terms of the deployment phase designated as SESAR Deployment, ANS CR is one of the implementing partners of the SDM, and is a beneficiary of funding from the European Climate Infrastructure and Environment Executive Agency (CINEA) to manage and implement the Connecting Europe Facility (CEF) programme for the technical and financial parts. The CEF is the EU's main financial tool to provide for future European transport, energy and telecommunications infrastructures.

Since 2014, the company has actively participated in selected CEF calls and has implemented several projects with EU financial support through the SDM. In 2021, ANS CR successfully completed following projects under the SESAR Deployment programme:

- 2015_145_AF5: AIM Deployment Toolkit,
- 2015_241_AF5: Meteorological Information Exchange Service,
- 2015_243_AF5: Aeronautical Information Distribution Service.

Consultation Process – Dealing with Service Users

Performance Plan of the Czech Republic

Essential requirements for transparency of provided services and their communication to airspace users were debated in the framework of consultations when preparing the updated draft Performance Plan of the Czech Republic for the third reference period (RP3), i.e. for 2020–2024. The Performance Plan submitted in 2019 was endorsed for approval by the EC Performance Review Body (PRB). In 2020, during the approval process, the COVID-19 pandemic broke out followed by associated traffic downturn, which made the targets inapplicable. In response to this situation, the EC suspended the approval of the presented Performance Plans and adopted Commission Implementing Regulation (EU) 2020/1627 on exceptional measures for the third reference period of the single European sky performance and charging scheme due to the COVID-19 pandemic. In response to this situation, ANS CR, together with other stakeholders, has prepared a new version of the Performance Plan.

In addition to reflecting the changed external conditions, a fundamental change from the Performance Plan prepared in 2019 was, in particular, the removal of regional airports from the Performance Plan. The Performance Plan was successfully discussed with airspace users on 20 July 2021, when airspace users' representatives welcomed commitments to meet all Europe-wide targets, implemented and planned cost savings, and a proposed change in the composition of the terminal loading zone, which includes the removal of regional airports from this zone. The Performance Plan of the Czech Republic for RP3 was assessed by PRB as meeting Europe-wide targets and was again endorsed for approval.

Transparent and non-discriminatory provision of services is further ensured by the publication of conditions and prices for the provision of services in the publicly accessible Aeronautical Information Publication of the Czech Republic.

EUROCONTROL Provisional Council and Enlarged Committee for Route Charges

In compliance with the customers' requirements, the views and interests of airspace users are further debated at regular meetings of the Provisional Council and the Enlarged Committee for Route Charges held on the EUROCONTROL, and other committees where service users are represented.

In 2021, air operators represented by IATA attended the principal 117th meeting of the Enlarged Committee for Route Charges, which was held on 22 November 2021. The meeting debated over air charges valid as of 1 January 2022. Unit rates were subsequently approved by the EUROCONTROL Provisional Council on 25 November 2021.

19th Annual Meeting of Air Carriers with the Representatives of ANS CR

Easing of strict anti-pandemic measures allowed for holding an in-person meeting with air carriers and professional public again after a two-year pause in autumn as usual. In addition to the current situation and development of air transport, the agenda also included the requirements of the company's customers for presentations from the previous year, including the following points:

- corporate situation and development between 2020 and 2021,
- economic results and pricing policy of ANS CR,
- the issue of capacity planning in the post-crisis period,
- performance Plan for 2021–2024,
- FRACZECH – correct planning of flights in the Czech airspace.

In order to receive feedback from the participants, the company prepared, as in the past, a structured questionnaire focused on the usefulness of the information presented and on the preferred content for future meetings. The evaluation of questionnaires shows that, in the long term, the users' representatives are satisfied with our approach and generally with communication with the company and have sufficient amount of necessary information. In the preparation of the 2022 program, the requirements and proposals submitted by the meeting participants will be again taken into consideration. All the presentations have been published for further use on the corporate website and social media after the meeting.

Annual General Aviation Seminar in the Czech Republic

In January 2021, the 13th annual general aviation seminar was made available through recorded lectures with the participation of representatives of the Civil Aviation Authority (CAA), the Ministry of Transport, and the Air Accidents Investigation Institute (AAII). All the recordings are available on the corporate YouTube channel.

Evaluation of ANS CR Annual Plan for 2021

The Annual Plan is a planning and at the same time an implementing document in the performance management system of the company, which details the objectives set out in the Performance Plan of the Czech Republic for the 3rd reference period and the Business Plan of ANS CR.

Performance monitoring

The fulfilment of the objectives set out in the Annual Plan is subject to quarterly monitoring by the company's management and the National Supervisory Authority. The purpose of the monitoring is to identify any deviations from the objectives in time for corrective measures to be established to ensure that the objectives are met. The annual plan monitors two types of objectives. While performance targets determine the value (trend) of key performance indicators, development targets develop (improve) business processes.

Key Performance Areas

The targets for the annual plan were set in the Key Performance Areas (KPA) defined on European level, i.e. in the areas of operational safety (SAF), environment (ENV), capacity (CAP), and cost efficiency (CEF). In addition, targets were set that did not directly contribute to the achievement of the EU-wide targets but were necessary for company-wide development (other KPA target categories).

A total of 123 performance and development targets were set for 2021. Of these, 28 objectives were aimed directly at meeting the defined pan-European objectives, while the others did not contribute directly to the defined KPIs, but developed other processes within the defined KPAs or were aimed at developing the company beyond the pan-European objectives (e.g. updating the corporate strategy).

All targets set by the Annual Plan of ANS CR for 2021, which were directly linked to the European-wide performance targets for the 3rd reference period were successfully met.

Operational Safety (SAF)

In the key area of operational safety (SAF), the Europe-wide objective in the area of EoSM (to increase the effectiveness of the safety management system) was met, where the achieved level of maturity of the operational safety management system shows „D“ values in all individual criteria, with the exception of the criterion safety policy and safety objectives, where a „C“ value was achieved. The required level for 2021 was „C“. Operational services were provided with a high level of quality and safety with no Accidents or Serious incidents recorded at the sites during 2021.

Environment (ENV)

In the area of Environment (ENV), all internal targets were met. The pan-European performance target 'Average horizontal efficiency of en route flights within the actual flight path' was met, with a KEA of 2.06% achieved against a target of 2.21%. The development objectives contributing to the performance targets in this KPA, i.e. the Optimisation Project, APP centralisation and TOP SKY, were also successfully met.

Capacity (CAP)

In the area of capacity (CAP), the target for average en route delay due to ATFM was met, with a recorded delay of 0.04 minutes per flight operated (0.2 min/flight required). The target for ATFM delay on LKPR was also met, with a registered delay of 0.05 min/flight (maximum 0.37 min/flight required). Similarly, the departure slot compliance target was met, with departure slot compliance at LKPR and regional airports above 90% (required above 80%). Similarly, all the development targets set in this key performance area - APP centralisation, continuation of the Optimisation project and preparation for TOP SKY deployment - were met.

Cost Effectiveness (CEF)

The 2021 performance of the business has been affected by the dramatic decline in air traffic due to the ongoing pandemic. The financial situation of ANS CR was stable in 2021 and the company was able to meet all its obligations related to the provision of its activities and its obligations. All the targets set in the area of cost efficiency (CEF) were met - the UR according to the performance plan from autumn 2019 was maintained, the cost base was significantly reduced in line with the EC requirements (27.9% decrease in corporate costs compared to 2019) and the company cost budget was respected, with a 96.8% uptake of the set limit.

Other targets and investments

Eight targets were partially met or not met (6.5%). Most of the targets are about not meeting the schedule due to reasons related to the COVID-19 pandemic (e.g. the AIM system, which will be put into operational use in 2Q 2022), or they were suspensions of the target due to necessary cost savings (some capital development projects, e.g. the upgrade of the electronic access control system, which was postponed to 2022).

For 2021, a total of CZK 694.9 million was spent. This corresponds to a total fulfilment of 90.87% of the investment plan of the ANS CR for 2021 (CZK 764.7).

Ryanair – It operates more than 400 Boeing 737-800 aircraft and its strategy is based on the lowest possible air ticket prices. The company attempts to save costs by using one type of aircraft, if possible, utilising airports at the outskirts of or outside the destination cities. In the Czech Republic, it is the only regular air carrier flying to Brno.



Operations

The COVID-19 pandemic and related measures still have a crucial impact on the company's operating results for 2021. Compared to the last year of pre-crisis development, i.e. 2019, which also serves as a basic benchmark, air traffic reached a level of less than half of 2019 in 2021. In the long-term comparison, the volume of operation in the Czech airspace is approximately at a value that was typical for the period of 2002–2003. Moreover, the drop in air traffic in the Czech Republic was above the European average, which is an unpleasant consequence of the change in preferred flight routes in relation to the sufficient capacities in neighbouring airspaces.

Area Control Navigation Services Section

- Despite the gradual improvement of the situation, overall operations continued to be significantly affected by the COVID-19 pandemic.
- The use of staff for commencement of new TopSky system training has had a significant impact.
- In order to increase attractiveness and optimise the capacity of the Czech airspace for air carriers, most of the RAD restrictions remained suspended and a continuous flow analysis was conducted.
- In 2021, the CRONOS project was launched with the aim of securing future cross-border free routes in adjacent airspaces.

Flight Information Service (FIC)

In 2021, interest in the services of the Prague FIC remained at similar levels as in previous years. The observed variations in the number of flights under the Visual Flight Rules (VFR) may be attributed mainly to the effects of seasonality and weather.

Training of Air Traffic Controllers for the Prague Area Control Centre

- Three students/air traffic controllers from local training 2019/03 (LKAA L clause) completed operational training in autumn 2021 and obtained a local LKAA L clause.
- Four students/air traffic controllers from local training 2019/04 (local LKAA M/H/T clause) completed operational training in spring 2021 and obtained a local LKAA M/H/T clause.
- Three students/air traffic controllers from local training 2020/01 (local LKAA M/H/T clause) completed operational training in autumn 2021 and obtained a local LKAA M/H/T clause.
- From January to August, air traffic controller refresher training was conducted, the main objective of which was to maintain the necessary habits and skills of air traffic controllers during low traffic intensity caused by the COVID-19 pandemic.
- From the last quarter of 2020 to mid-August 2021, preparation of conversion training for the new ATM system took place. Instructors involved in the conversion training completed the prescribed conversion training necessary to start training of other personnel at the Area Control Centre from May 2021 to the end of August 2021. The training of the staff according to the approved documentation started at the beginning of September 2021 with the expected end in April 2022.
- As at other operational sites, the main event held at the Area Control Centre was the training of all operational staff for the new ATM system, which has encompassed over 4,000 hours of work of instructors, administrators, coordinators and employees with FISO and FISA qualifications.

ASM/ATFCM

At the beginning of 2021, FCD qualification training of all WS was completed.

Terminal Sectors Centre

- In January 2021, the Ostrava Approach Control Centre was moved to the Prague Technical Block, which completed the process of centralisation of the terminal navigation services (Karlovy Vary, Brno and Ostrava) of regional airports.

- Activities related to gradual acquisition of further local clauses from other sites of the Prague TCC have been launched in order to achieve the greatest possible efficiency in the use of human resources and mutual substitutability of air traffic controllers.
- During the year, all local training courses running from the previous year were completed and the Prague TCC sites thus acquired nine new air traffic controllers (5 new employees and 4 re-trained from the Prague Area Control Centre).
- The second half of the year was devoted to the preparation and actual implementation of conversion training for the new TopSky system.

FDD Department

The main event of the FDD Department was training for the new TopSky system, which necessitated thorough preparation and compilation of all training materials and own staff training methodology. It started in mid-October 2021 and continued until the new system was deployed. In total, it consisted of 2,500 hours of extra training compared to the standard scope.

Search and Rescue Centre

- One new Centre staff member was trained successfully.
- In 2021, we started developing an application which will facilitate the ELT pilot registration. The work was complicated by the COVID-19 pandemic. Implementation is expected during 2022.
- Based on a request of the Audit Department, software was developed between March and June 2021 to quickly search for contacts at the airport and ARV areas for the purpose of RCC search. Following approval, the software was put into service in a trial version in November 2021.
- In cooperation with the Audit Department, the software for backup of ELT NaviGate data has been updated (February – March 2021).
- The original AFTN Message Mate 2000 has been replaced with the AFTN Puma system (since 23 February 2021).

Approach and Aerodrome Services Section

Operation in the area of competence of the Prague Approach Control Centre and the Ruzyně Control Tower was significantly affected by impacts of the globally adverse pandemic situation in 2021. The most significant decrease in traffic occurred between January and April. The recovery from May 2021 lasted, in contrast to the previous year, even after the transition to the winter flight schedule. In summer months, traffic was at 50% of 2019, in November and December even more than 60% of 2019.

A change in the composition of operations was also persisting with a remarkable increase in the number of small aircraft and training flights for whose operations space is not available under standard circumstances.

Throughout the year, including summer months, constructions were taking place at the airport, limiting the aircraft moving on the ground, but because of low traffic, their impact on traffic flow was negligible.

Regional Airports

The number of scheduled lines has stabilised at regional airports, especially in the area of cargo transport. During the summer season, the number of charter flights increased slightly at Brno and Ostrava airports compared to 2020. As regards training flights and local flight activities, the trend was mildly decreasing compared to 2020.

Representatives of regional airport control centres held regular meetings with their customers, i.e. aircraft operators and airport operators.

In 2021, representatives of the Section were also involved in development projects. Chief effort was devoted to projects for streamlining of air navigation services, the new main system TopSky and the new TR8 system for regional airport control towers.

Training of Operating Staff

- WBT courses for TopSky conversion training have been prepared and courses for a new software properly operating in the LMS environment have been updated and redesigned.

- Training documentation for conversion training for transition to TopSky has been approved.
- Training documentation for conversion training for transition to TR8 has been prepared.
- Training documentation has been compiled, and preparation of training materials and exercises for obtaining a new local LKAA RGA APP clause has started.
- Procedures for approving training documentation have been aligned with CAA.

Training Simulators

The simulator was used by the Prague control centres in a standard manner for local, refresher, upgrade and update training. In 2021, the TR7 simulator in the Technical Block was used by all regional centres for local, conversion and update training.

At the beginning of 2021, the installation of consoles and ATM systems on the newly reconstructed SIMU premises in the IATCC Prague operational building was completed, so that the training of operators for the new SCANSIM and TopSky systems could start in time. After the necessary testing and careful preparation of all data necessary to carry out practical training of all operating personnel, this massive training was launched in May. The practical staff training, which is associated with conversion to the TopSky system, was scheduled for the spring months of 2022.

The total number of training hours on simulators amounted to 9,321 hours in 2021.

Aeronautical Information Management (AIM) Centre

The main role of the aeronautical information service provider is to receive, process and distribute aeronautical data and information at required quality and times. In 2021, the AIM Centre continued to implement the concept of transition from AIS (Aeronautical Information Service) to AIM (Aeronautical Information Management), towards a data-oriented approach. During 2021, the Centre was intensively preparing for compliance with legislative requirements pursuant to Commission Implementing Regulation (EU) 2020/469, which sets out requirements for aeronautical information service providers and entered into force on 27

January 2022. The use of appropriate systems and their continuous development are instrumental in the process of meeting these requirements.

AIM system

Ongoing process of implementation of the production and database system for statistical data processing, which will be put into operation during 2022

AIM distribution service

Commissioning of a system for ensuring transformations and distribution of data to other systems or end users

AisView

- Creation of a new FRAView module in connection with the FRACZECH implementation
- DronView modification based on the requirements of the new legislation
- Change in the form for sending supporting documents in a new SNOWTAM format

NOTAM/OPMET

- Introduction of full support for the new SNOWTAM format allowing for harmonised assessment and reporting of runway surface conditions
- Implementation of the possibility of sending queries via AFTN for re-sending of valid SNOWTAM in support of the ATIS system

IBS

- Extension of MET REPORTs to include other airports

Statistical data on publications issued in 2021

Number of changes issued for AIP	25
Number of SUPs issued for AIP	22
Number of changes issued for the VFR CR manual	13
Number of SUPs issued for the VFR CR manual	20
Number of aeronautical maps issued	400
Number of AICs series A issued	7

Statistical data on publications issued in 2021

Number of AICs series C issued	29
Number of changes in air regulations issued	23
Number of national NOTAMs issued	9,459
Number of processed foreign NOTAMs	869,296

Technical Division

On 1 January 2021, the centres responsible for both ATM systems and office and administrative (MIS) systems merged under the Technical Division. Furthermore, within the Division, the Technical Departments from the Karlovy Vary, Brno and Ostrava regional airports were reorganised, and the Department of AIM systems and Data was incorporated.

ATM Systems

The Aviation Telecommunications Services Centre, the Radar and Information Systems Centre, and the Navigation, Radio Communication and Regional Systems Centres are responsible for the operation and maintenance of almost hundreds of systems of varying scope and importance in almost fifty locations throughout the Czech Republic. At the end of 2021, a total of 142 employees worked in this area. The primary task is to ensure maximum availability of ATM systems for air traffic controllers. The following three key areas of activity are used to that end:

- continuous monitoring of the condition of all operated systems and immediate response when any deviation from the standard operating state is identified, i.e. troubleshooting,
- regular preventive maintenance (inspections and revisions), including verification of the correct functioning of all backup systems and detection of any discrepancies before they occur in real operation,
- ongoing maintenance and upgrading of professional qualifications in the form of both organised internal training and self-study and sharing of experience arising from real operation.

Monitoring and Troubleshooting

The operation efficiency and accessibility of ATM systems were maintained at a high level. Based on the monitoring of the status of systems, nearly two thousand interventions in ATM systems by technical specialists were recorded in 2021. The number of recorded events in air traffic (i.e. when

there was a partial or complete loss of functionality of an ATM device or system affecting air traffic control) is only 45 (similar ratio as in previous years).

Following investigation by the Department of Incident Investigation and Internal Audit, these events have been classified only in the two lowest categories in terms of their impact on safety ("Ability to provide safe but degraded ATM service" and "No effect on ATM service"). This confirms a proactive approach to defect resolution and high redundancy functionality in the architecture of operated systems.

Preventive Maintenance

In 2021, we accomplished 79,821 regular inspections in total, out of which:

- 57,893 daily checks,
- 12,198 ongoing checks,
- 9,003 weekly and monthly checks,
- 727 quarterly, half yearly and annual checks.

During 2021, 702 planned actions were carried out on ATM systems, out of which:

- 209 were with no limitations to traffic during full operation,
- 256 were with partial limitation to traffic,
- 237 were done with equipment or system out of service.

Training of ATM System Specialists

In the field of training, the following results were achieved in 2021:

- one DTECH employee has successfully completed initial training for ATM system specialists organised by CANI,
- ATM system specialists successfully passed 55 prescribed tests,
- one ATM system specialist has obtained the LI qualification, another three LII qualification,
- instructors carried out a total of 795 hours of Continuous Training defined for 2021,
- instructors carried out a total of 509 hours of Type Training defined for 2021,
- all employees successfully met the requirements of Continuous Training for 2021.

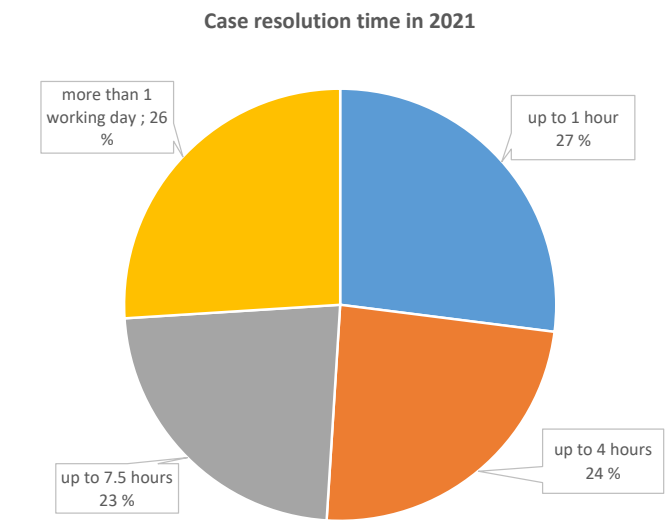
MIS Systems

The MIS Centre provides comprehensive services in support of administrative processes and business agendas, and for this purpose operates and develops a wide range of information systems and technologies. At the end of 2021, a total of 28 employees worked in the Centre. These employees are mainly engaged in activities that may be divided into the following key areas:

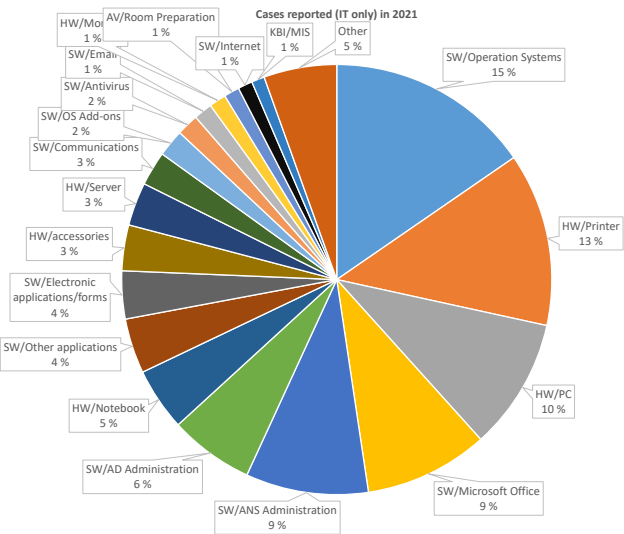
- technical support for users and ensuring the correct operation of end-user computing technology,
- ensuring the proper functioning of information systems and related IT infrastructure,
- development of provided services and digitisation of business agendas.

In support of the operation of management information systems and related IT infrastructure, the Centre operates around 100 information systems and 300 servers. The year 2021 was marked by a gradual modernisation of existing systems. It was, for example, an enterprise SharePoint or an enterprise website.

In the area of digitisation, a new web presentation of ANS CR and other supporting web portals – such as the internal portal Neopteryx or a new portal showing statistics and development of air traffic – were launched. We also started revising the visit record-keeping agenda, which is now connected online to Czech registers. In addition, the Centre contributed to the digitisation of agendas related to measures against the spread of the COVID-19 infection and creation of a register of cyber risks.



In the field of technical support, the Centre is responsible for over 4,000 devices and received over 5,000 user requests for servicing in 2021. Most of these requirements have been resolved within one business day. Together with growing complexity and higher demands on security standards in office computing, the number of requirements and expertise of the MIS technical staff is increasing every year. In 2021, thanks to these changes, employees were able to pursue the trend of gradual transition from workstations to laptops which allow for better mobility while maintaining workstation functionality.



Wizz Air – Hungarian low-cost airline. It was established in 2003 and currently ranks among major European air carriers with many bases across Central and Eastern Europe.



Implementation of Projects and Investments

Methodology of Air Traffic Control Services

- Flight procedures for the Ostrava Airport have been revised and updated.
- Procedures for omnidirectional departures for the Brno and Ostrava Airports have been processed.
- The methodology for the preparation of ATC SMA maps has been revised.

Summary of Investments in 2021

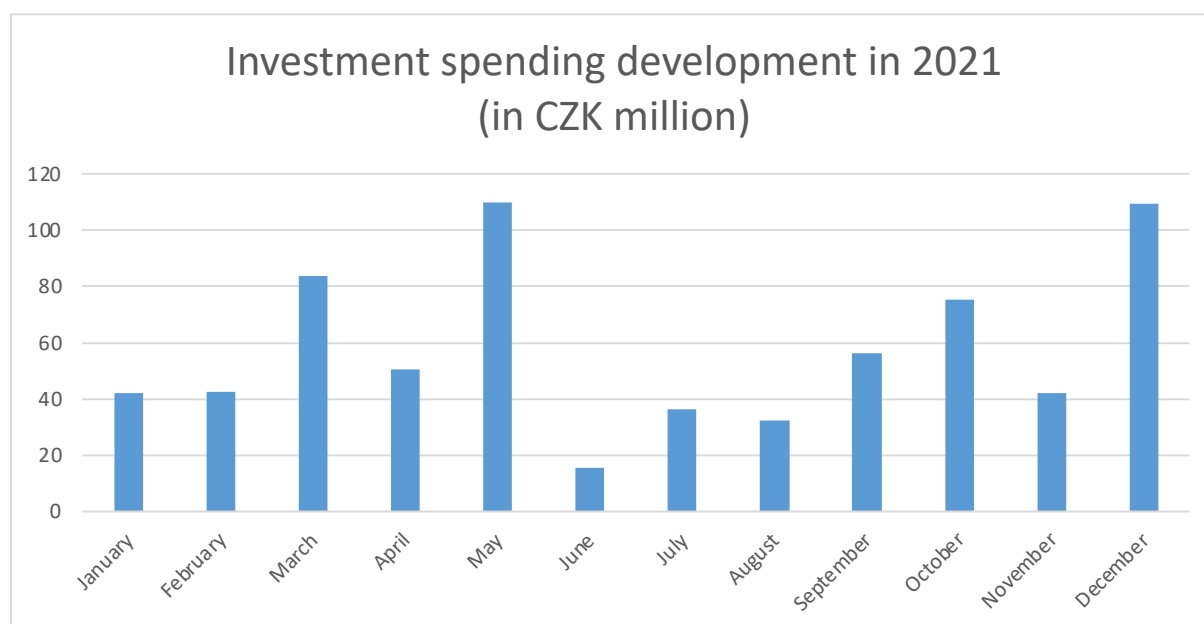
In 2021, a total of CZK 694.9 million was drawn, which corresponds to the total implementation of 90.87% of the annual plan. As part of the necessary measures related to the global limitation of not only air traffic, ANS CR was forced to take austerity measures in the area of investment

planning and actual realisation of investments in 2021, which resulted in strict investment targeting.

The main development pillar included all the investments linked to transition to the new main system TopSky. Furthermore, we invested in cooperating systems whose adaptation to new system architecture is a prerequisite for the deployment of TopSky.

The second pillar includes investments in ATM systems necessary to maintain operational capacity at least at the level from the end of 2019 so that ANS CR would meet its obligations towards customers even in the post-crisis period.

Item	Working Designation	ATM System	Actual Drawdown in 2021
01.00	SUR Domain	SUR – Overview infrastructure	2.9
02.00	DPS Domain	DPS – Data processing and display	304.1
03.00	DPS Domain	DPS – New system	171.0
04.00	PRS Domain	PRS – Transmission systems	0.0
05.00	VCS Domain	VCS – Voice communication	6.1
06.00	DCS Domain	DCS – Data networks	5.3
07.00	ISC Domain	ISC – Communication information systems	0.6
08.00	RCOM Domain	RCOM – Radio communication systems	4.6
09.00	RNAV Domain	RNAV – Radio navigation systems	3.2
10.00	SDK Domain	SDK – Communication cables	0.0
11.00	MOS Domain	MOS – Monitoring and control	0.7
12.00	AIM Domain	AIM – Aeronautical information management	20.7
13.00	MIS Domain	MIS – Enterprise information systems	3.0
14.00	Other ATM Domain	Other ATM systems	60.3
16.00	SIMU Domain	SIMU ATM simulators	40
17.00	DPP – TWR Domain	TWR – Prague	13.3
18.00	Buildings Domain	Buildings	57.2
19.00	Domain Other	Other	1.9
20.00	Drones Domain	Drones	0.0
Total Investment			694.9
Performance against Annual Plan			90.87%



Surveillance Infrastructure

At the end of the year, the first stage of implementation of ADS-B in the surveillance infrastructure outside of FIR Prague was triggered. ADS-B reports increase surveillance data redundancy at larger distances where radar coverage is insufficient.

Data Processing and Display

All systems in the DPS domain (ESUPNS, IDPNS, TR8, Waldo) have been developed and adapted to function within common architecture with the new TopSky system.

Simulators

In 2021, the TopSky simulator was commissioned with 18 student positions as a necessary preparation for transition to the new control system. Installation of VCS Rohde&Schwarz on SIMU TWR, SIMU ROSE and SIMU TopSky simulators has been completed – totalling 116 VCS positions.

Voice Communications

Based on an open tender, a supplier has been selected for the secondary VCS system. During the year, negotiations and activities for supply of the system were carried out with a planned deadline in 2022.

Prague Control Tower

At the beginning of the year, a new generation of the A-SMGSC system was successfully deployed, which

included the unification of server processing with the EFS system and updating of an interface to TopSky.

Main Projects Implemented or Completed in 2021

Free Route Airspace

The FRACZECH project – flying on free routes – was completed with successful operational transition on 25 February 2021. In this way, ANS CR used the downturn in air traffic in relation to the COVID-19 pandemic to complete and implement this significant operating project. The FRA environment allows us to respond more flexibly to changes in our users' demand and helps us keep our airspace attractive. The introduction of FRA was also the first step for integration into the supranational FRA area (X-FRA), which ensues from European legislation and multiplies all potential benefits significantly.

Super-low Sectors in the Technical Block – Stage 2

The aim of the second stage of the project of super-low sectors was to move the Ostrava approach control centre to the Terminal Services Hall in the Technical Block at Prague Airport and to cancel the area approach control centres in the original locations. This change was successfully implemented in the first quarter of 2021. Integration of area approach control centres into the Prague TCC was thus completed, which is one of the conditions in preparation for transition to the new main control system TopSky.

NEOPTERYX

The Neopteryx project is a key development project of ANS CR, which aims at acquiring and implementing a new main system for the provision of air navigation services. The new system is TopSky supplied by the French company Thales. It was successfully put into operation in February 2022.

In March 2021, the contractual milestone “System Readiness” (SR) was successfully achieved, which confirmed the delivery of all corrections resulting from SAT (Site Acceptance Test). In September 2021, technical and operational staff training was started according to the valid schedule.

In the first half of December, the first transition action – Shadow Operation 1 – involving all key sites took place. During shadow operation, it was possible to test comprehensive use of the new system with identical operational load as in live systems and to identify any possible issues not yet manifested. Further steps towards transition were taken in January and February 2022.

Reconstruction of IATCC Operations Room

The year 2021 saw the first part of reconstruction which rested in complete reconstruction of one half of the main control room for transition to a new main system for air traffic control – TopSky.

The reconstruction included, among other things, cabling for new systems, a new lighting system, complete replacement of stable extinguishing equipment, and replacement and addition of floors and wall and ceiling tiles.

After completion of the actual reconstruction of the ATS part of the Room, new technological furniture for the TopSky system was fitted there.

In connection with the preparation of the ATS Room, the associated premises were also modernised, i.e. the technical supervision room (ITS Room), and partially the technology Room (CST Room).

The second part of reconstruction will be performed in 2022 and will include the reconstruction of the second half of the ATS hall after the disposal of the old E2000 system and the replacement of main air handling units in the operations building.

Integration of Unmanned Aerial Systems (UAS)

In 2021, the following activities related to drones took place. For better clarity, they are divided into more specialised areas:

Legislation

In 2021, the activities of the Unmanned Aircraft Systems Integration Office (hereinafter the “Office”) were based mainly on the current development of legislation. Office contributes to laying down of national and international rules for UAS (Unmanned Aircraft System) operation through cooperation with CAA and MT and at international level with EASA, CANSO or EUROCONTROL.

At the beginning of 2021, new national rules for the operation of drones in the Czech Republic came into force pursuant to the issued Measure of a General Nature (MGN) stipulating a limited area of LKR10-UAS. ANC CR has been initiating modifications of and amendments to the issued MGN in the long run.

The year 2021 saw a significant action, i.e. an amendment to the Civil Aviation Act (CAA), which complements the already established European rules for the use of drones. Amendment approval has been postponed until 2022 and it is expected to become effective in 2023.

During the first half of the year, a package of three EU Regulations regarding U-space (2021/664, 2021/665, 2021/66) was issued, and its content corresponds to the plans of our company.

UAS financing

As early as in 2020, the then Minister of Transport received a request from ANS CR for a subsidy for activities pertaining to provision of U-space services in the Czech Republic. Following his reaction, a number of strategic documents were drawn up, detailing the aims of ANS CR. At the beginning of the year, a draft schedule describing the scope of services, systemic and personnel coverage associated with the provision of U-space services in the Czech Republic was prepared and presented to the Ministry of Transport of the Czech Republic. The supporting documents were approved by the Central Commission of the Ministry of Transport and further steps will follow in 2022.

Meetings of national strategic working groups

Strategic Forum, which was established in 2020, is an association of several leading institutions in the UAS area in the Czech Republic. During the past year, the main topics discussed included the current state of the development of legislation, modifications of MGN, U-space, the need for the creation of a test polygon, protection of controlled airports against UAS’ acts of unlawful interference, grids, etc.

After more than two years, the Inter-ministerial Commission on Unmanned Systems (IC UAS) at the Ministry of Transport resumed its activities. Its activities focused on identifying the core themes, priorities and their gradual discussion at the national level.

International activities

Office continues to participate in a number of international activities, the most important of which is its participation in the ICAO RPAS Panel, CANSO, and in the European Network of U-Space Demonstrators organised under the EC.

Projects

Through Office, the ANS CR is involved in both domestic and international grant projects associated with UAS. Over the year, activities took place to facilitate fulfilment of objectives of the domestic projects FUTURE and SORA and under SESAR also of international projects AURA and Uspace4UAM.

Investments into grids

In 2021, we purchased an instrument for grid creation and administration in CTR areas. This is an innovative solution for the protection of controlled airports, which will be used by ANS CR as a tool for enhancing the safety of UAS operations near controlled airports. The implementation of this system is planned for the middle of 2022.

Education campaign “Fly Responsibly”

On an ongoing basis, Office is engaged in active education of the public through the running campaign “Fly Responsibly”, which was launched in 2019. The campaign focuses on education not only of UAS pilots, but also of the general public in the field of unmanned flying. The educational campaign makes use of a number of interconnected channels, such as the website “Fly Responsibly”, social

media channels “Fly Responsibly” (Facebook, Instagram, Twitter), marketing promotion of the project, and mass media. The Ministry of Transport and the CAA are the sponsors of the entire project.

UAS Fleet

At the beginning of the year, ANS CR was registered as a UAS operator under the European regulatory framework and the NSF authorisation, valid until the end of 2021, was obtained in the area of IATCC and Prague Airport. Furthermore, ANS CR has been authorised to operate flights in a specific category with a focus on selected operational locations for the purpose of fulfilling operational needs of ANS CR.

APPLICATIONS

So far, ANS CR offers users in the Czech Republic the possibility of using the DronView and Dronald applications.

The online and mobile application DronView was upgraded to include new functionalities over the year. The application is still widely used by UAS users for flight planning. A new educational leaflet for DronView was compiled to draw attention to new functionalities that lead to enhanced safety of all air traffic users (possibility to enter anonymised UAS flight plans).

In cooperation with Dronetag, a responsive online and mobile app Dronald, aimed at educating current and future UAS users, has been developed. It is an online guide for UAS operation. Numerous modifications and upgrades have been implemented in the past year to reflect the current state as per the issued MGN. The Ministry of Transport and the CAA have become sponsors of the application.

Czech Air Navigation Institute



CANI is an integral part of the company and after an organisational change was incorporated into the Financial Department in 2021.

CANI is an educational institute that provides specialised education and training for air navigation service personnel both for own needs of the company and for Czech and foreign clients.

These training activities are provided based on certification issued by the Civil Aviation Authority. The portfolio of training programmes fully meets the requirements of Commission Regulation (EU) 2015/340, Commission Implementing Regulation (EU) 2017/340, and Eurocontrol and ICAO standards.

The primary mission of CANI is to render specialised training and education for ANS CR employees, in particular, ATCO (Air Traffic Controllers) and ATSEP (Air Traffic Safety Electronics Personnel). Nevertheless, in the last year, the syllabus has been extended to all employees of the company to include optional personal development courses in the area of soft skills.

The remaining capacity of CANI is offered to external clients and although 2021 was as much as the previous year affected by the COVID-19 pandemic in an unprecedented manner, we were able to hold a number of courses. In terms of international composition of participants in the Czech Republic, the clients came from Germany, Austria, Malta, and Armenia. The project of training of ATSEP technicians for Bahrain continued. For a Maltese client, a comprehensive set of training sessions was provided directly on its premises in Malta. Cooperation with the Czech Air Force of the Army of the Czech Republic continued, where in addition to local, refresher, and upgrade training, initial training sessions for new applicants took place. Overall, 138 training courses and sessions held under the umbrella of CANI and attended by 863 participants were completed during the year.

The Flight Test Department performed missions with two Beechcraft King Air 350 B300 aircraft. The missions in the Czech Republic were carried out practically without any impact of COVID-19 on civil and military airports on the basis of contractual obligations. The missions with international cooperation were partially affected by mandatory quarantine, in particular, during the mission in Vietnam. In spite of limits caused by the COVID-19 pandemic, we successfully performed contracts for foreign clients from Vietnam, Poland, Georgia, and Kosovo.

Human Resources Section

The year 2021 was again affected by the coronavirus pandemic and efforts to find balance between protection of human lives and maintaining of economic growth. Throughout the year, it was necessary to react quickly and set individual measures in a very short time and especially keep employees informed. Testing, quarantine, isolation, vaccination, mostly online communication – it all has significantly affected the lives of our employees. The workload, which was influenced by reduced headcount and the demanding nature of tasks, social distancing, handling of quarantine and isolation, all this put a significant strain on the psyche.

Reduction of personnel costs, limitation of activities and expenses which were not strictly necessary, and suspended use of various benefits under concluded collective labour agreements continued.

In September 2021, after almost a year and a half pause, competitive hiring procedure for the position of air traffic controllers for the Prague approach and area control centre was initiated again. In addition to traditional advertising and cooperation with schools, recruitment was supported by a live stream for the first time, where those interested in the position of an air traffic controller could lead online discussions with representatives of air traffic controllers from individual control centres. Out of 397 applicants registered in 2021, 242 applicants underwent an English language exam, 137 FEAST tests, 38 medical examination, and 34 were invited for the final round in the assessment centre.

The CISM team continued in its activities also this year, when the situation enabled us for the second time to organise regular annual training of 18 peers in the corporate summer camp in Ledec nad Sázavou. In order to support the work of peers, new regular online supervision has been introduced since autumn 2021, offering an opportunity to consult the work of a peer with a psychologist.

Despite the often very demanding organisational conditions, we were able to continue in the LAB operation during the year and hold the ELPAC language proficiency test for 87 air traffic controllers.

Many mandatory legislative training courses have been moved to an online format (first aid training, fire prevention training, electrical engineering proficiency training). The enterprise intranet has been updated and administered as an important source of internal communication. Relevant information has been passed on to employees on separate portals titled HR Communications, COVID Portal, Home Office, Effective Meeting Management, or Support for Expanding and Maintaining English Skills.

The impossibility of training by external entities was partially compensated for by the provision of study licenses on the SEDUO educational portal for employees from administration and operations as well as for managers. The training needs of professional groups were fulfilled by workshops with internal tutors; while the growing interest in personal development was satisfied by coaching individuals. Human resources specialists participated in the preparation and facilitation of newly compiled TRM training for APP/TWR controllers, which received a positive feedback from both internal and external participants.

Employees and their family members were allowed to stay in corporate recreational facilities according to applicable rules under the extraordinary government measures. We also again managed to organise a rather sought-after children summer camp in Ledec nad Sázavou, which was attended by 148 children in three tours, out of which 95 were children of ANS CR employees.

Number of employees as at 31 December 2021

ANS staff	342
Technical systems specialists	123
Executive and administrative staff	299
Manual staff	61
AIS specialists	18
Top management	12
HR verification staff	14
Category S staff	69
Total sum	938

Age structure

Up to 29	87
30–39	233
40–49	323
50–59	206
60 years and more	89
Total sum	938

Educational structure

Primary education	4
Secondary vocational education	53
Complete secondary vocational education	401
Higher-level secondary education	12
Graduates	468
Total sum	938

Structure of operating staff

Air Traffic Controller	276	Note: incl. 25 ATCOs with licence
Technical systems specialists	123	
Other ANS staff	89	
AIS specialists	18	
Total sum	506	

Data in the charts indicate the physical headcount as at 31 December 2021.

Central Logistics Section

The Central Logistics Section commenced the year 2021 with a new organisational structure. In this new structure, the Section had to address the challenges of the ongoing COVID-19 pandemic and ensure a sufficient number of tests and protective equipment. Despite all the objective constraints, the Section managed to maintain its internal-customer-oriented approach, i.e. was available for all other departments of the company. In 2021, there was no record of any offence or defect resulting from state authorities' inspection activities as regards the Section's competences.

Throughout 2021, the Construction and Technical Maintenance Department was in charge of implementation of organisational and construction measures resulting from government requirements to limit the impact of the pandemic and launched a large relocation of the Approach Centre staff from the IATCC building to new premises in the Technical Block.

The Safety and Fire Systems Department implemented a new version of a training course for X-ray device operators, which improves the quality of safety measures on the premises of the company.

In August 2021, the Building Registration Department introduced a new HUGIS application module – ANS Technology – interconnecting HUGIS with the existing technical information system ATM TIS.

The Purchasing Department has provided enough tests, protective equipment and disinfection for the entire enterprise as required by the state administration to prevent the coronavirus infection.

Corporate Social Responsibility

ANS CR has clearly delineated goals for corporate social responsibility and contributes to the creation of a cultivated business environment in the Czech Republic. The company is also monitored and evaluated for its approach to non-commercial areas, i.e. transparent and open communication, environmental protection, employee care, and the implementation of the sponsorship programme. Operational and economic results and the quality of service should not be considered as the only criteria for evaluating a company. ANS CR, through its implementation of the principles of social responsibility, continuously strengthens its credibility in relation to its community and increases the loyalty of its employees.

Sponsorship Programme in 2021

The sponsorship policy is based on the rules for making donations pursuant to Resolution of the Government of the Czech Republic No. 334 of 14 April 1999, as amended. Unfortunately, even in 2021, air transport was significantly affected by the COVID-19 pandemic. The company's revenues again did not allow for sponsorship activities.

Communication and Public Relations

The impact of the COVID-19 pandemic was of course reflected in the company's communication activities and also its possibilities in the area of CSR implementation. The unfavourable situation of air transport continued to necessitate substantial savings and the company's possibilities were therefore markedly reduced in this sense.

As usual, the company's internal and external communication was performed on the basis of the "ANS CR Communication and Marketing Plan for 2021". The plan was comprised of 105 external and internal activities, which is again significantly less than in previous years. The main internal and external communication topics in 2021 may be identified, considering the needs of the public and especially employees, as follows:

- development and state of air traffic in the Czech Republic and Europe,
- financial results of the company,
- securing of company's obligations towards employees, customers and the founder,

- establishing a safe working environment and eliminating infection in the company,
- application of government anti-epidemic measures in corporate conditions,
- ability of the company to continue in its most important development activities.

In 2021, the need for intensive internal communication with employees proved to be vital so that they had immediate and easy access to all information. In InfoANS short text messages, employees immediately received mobile phone information on all measures taken in the company, even when they worked from home.

"Director General Newsletter" continued to serve as a supporting information source in a digital form. The structure of the news regularly enables employees to gain an overview of the state and development of the company in the form of chief indicators in operation, management and other related facts. At the same time, the corporate intranet, offering employees a comprehensive information database on COVID-19 issues, also played a major role in informing employees.

At the time of loosening of pandemic measures, informal meetings of all employees with the company management were organised in 2021. "Coffee with the Director General" has already been a well established opportunity for direct communication between the Director General and employees at the corporate headquarters in Jeneč and in regional centres. Many questions have been answered via the electronic application "Boss on-line", which gives every employee an opportunity to contact the Director General at any time with a question or request for clarification.

ANS CR has significantly strengthened its position and information capacity on social media, especially through active and coordinated presentations on Facebook, Twitter, Instagram or posting of videos on YouTube. As a result, the number of followers of the company's social media profiles again increased significantly in 2021, and these channels now represent our major communication channels towards the general and professional public.

At the end of 2021, the company's new website was launched in the Czech and English versions. Attractive and clear arrangement, a fast editorial system and trouble-free use on mobile phones are prerequisites for the convenience of domestic and foreign users.

In 2021, external communication was provided mostly in the form of short messages on social media with links to the company's website. The Public Relations Department published a large number of press releases, which most often dealt with the impact of the pandemic on the volume of air traffic in the Czech airspace and at the airports. They also described the impact on the financial results of ANS CR and presented how the company responds to these facts. The topics with high coverage in media included the introduction of the FRACZECH concept in the Czech airspace or intensive preparation for the introduction of the new main system TopSky – ATC in early 2022.

A better pandemic situation enabled us to organise an in-person “19th Annual Meeting with Air Carriers”, attended by a large number of airlines representatives. The “2021 General Aviation Seminar” was also successfully held. The company provided necessary information and feedback for all representatives of Czech airspace users.

During the year, the Director General repeatedly gave interviews on the current development of air traffic for both domestic and foreign media and participated in professional discussions on the progress of Czech industry and transport after the sector returns to normal.

The company spokesman has continuously provided and presented the company's opinions and comments in line with the demands of journalists. During the year, despite a major change in the air transport environment, there was no such event in air traffic or in any other situation that would require the activation of crisis communication.

Advertising and Promotion

Again, the economic results and development of air traffic in 2021 did not enable the company to become a traditional advertising partner of important sporting, cultural and aviation events in the Czech Republic.

ANS CR expresses its gratitude and appreciates the approach of those long-term partners which, despite not receiving any funds for support of their activities in 2021, continue to display the company's logo as a partner in the public space.

Emirates – It is an airline of the United Arab Emirates owned by the Emirate of Dubai, established in 1985. Its home airport is the Dubai International Airport and operates flights to 141 airports in around 80 destinations. The company has the largest air fleet of Boeing 777 and Airbus A380 aircraft in the world with the total air fleet size of 256 aircraft.



Report on the Company's Performance in 2021

In 2021, the air transport sector was again negatively affected by the continuing COVID-19 pandemic. The impact of pandemic measures and tourism restrictions persisted, in particular, in the first half of the year. Some recovery then took place in the second half of the year, although air traffic performance was far from the pre-pandemic volumes.

The continued restrictions in air transport were also dramatically reflected in the company's economy in 2021. In order to partially compensate for the loss of revenues from air traffic services, we continued to take cost-saving measures. Thanks to these measures, we have reduced the total costs of the company by 28% as compared with the reference year 2019. Significant savings were also made in personnel costs, where, in addition to freezing partial wage components, the headcount was reduced.

In the area of en-route navigation services, there was a 56% drop in traffic compared to the reference year 2019 (in service units). The total volume of en-route operations expressed in service units (SU according to EUROCONTROL data) reached 1,280.2K SU in 2021. This volume of air traffic corresponds to the volume between 2002 and 2003.

In the area of terminal navigation services, the fall was even 62% compared to 2019 (in terminal service units). The airport capacity volume in terminal service units (SU) thus reached 38.1K SU, which corresponds to the airport capacity volume achieved in 1998.

As stated above, in 2021, the company's economic performance was hit by a dramatic drop in air traffic due to the continuing pandemic. The unusually low volume of air traffic has also significantly affected the failure to comply with the plan of revenues from air navigation services. For the second time in its history, the financial result before tax corresponds to a deep loss in the amount of -845,423K CZK.

In order to stabilise the financial situation of the company, external sources of financing were used also in 2021. Specifically, the credit limits granted for financing and completion of the new TopSky air traffic control system as well as for financing of support systems for connection to the new system have been drawn. The maturity of

external sources of financing has been set in such a way that repayments would start in the period when air traffic performance returns back to the standard level.

A more detailed view of the development of economic performance is provided below.

Company Revenues

For the period from January to December 2021, the total revenues of ANS CR amounted to 1,998,245K CZK. Year-on-year increase in total revenues equalled 8.4%; however, compared to the reference year 2019, this volume of revenues represents a 52.2% fall.

The main source of the company's revenues continues to be the provision of air navigation services (ANS). ANS revenues amounted to 1,730,382K CZK and accounted for 88.8% of the total operating revenues of the company in 2021, which is less than in previous years before the pandemic. Compared to the reference year 2019, the ANS revenues were down by 52.6%. Revenues from en-route navigation services in the amount of 1,483,314K CZK, i.e. 76.1% of operating revenues, contributed most to the achieved revenues. Another volume of revenues was generated from terminal navigation services in the amount of 244,914K CZK, i.e. 12.6% of operating revenues. Revenues from training flights accounted for 2,154K CZK, i.e. 0.1% of operating revenues.

In 2021, ANS CR was fully compensated from the state budget for the costs incurred by the company in connection with the provision of services to flights exempt from charges in the total amount of 57,521K CZK. Such compensation has been granted to ANS providers for 2021 in compliance with Regulation (EU) 2019/317 (laying down a performance and charging scheme in the single European sky) and Government Resolution No. 1404 of 2 November 2005.

Other operating revenues reached a total volume of 219,172K CZK in 2021. Out of this, the compensation equalled 57,521K CZK. The remaining 161,651K CZK of other revenues came from a wide range of revenue items. They include revenues from education and training in the amount of 76,306K CZK, revenues from calibration flights in the amount of 35,526K CZK, followed by revenues from

aeronautical information services, re invoicing services, revenues from rental of non-residential premises and equipment, fines and penalties, etc.

In 2021, revenues in the amount of 48,691K CZK were mainly generated from active exchange rate differences (38,571K CZK) and, to a smaller degree, revenues from the appreciation of temporarily available financial resources.

The main revenues were as follows:

REVENUES (CZK thousands)	2017	2018	2019	2020	2021
REVENUES FROM AIR NAVIGATION SERVICES (ANS)					
En-route navigation services	3,135,479	3,261,309	2,995,870	1,295,976	1,483,314
Terminal navigation services	607,557	657,842	652,325	208,052	244,914
Training flights	2,240	2,926	3,777	1,974	2,154
OTHER REVENUES					
Revenues from commercial services (other than ANS) and other operating revenues	218,590	290,251	341,770	246,069	219,172
Total financial revenues	227,798	107,079	190,649	91,195	48,691
TOTAL REVENUES	4,191,664	4,320,107	4,184,391	1,843,266	1,998,245

Company Costs

In 2021, the total volume of costs (including deferred income tax) amounted to 2,796,933K CZK, which represents a year-on-year drop in costs by 14.1%. As against the reference year 2019, we recorded a slide in costs by 1,196,967K CZK, corresponding to a 30.0% decrease. In order to compensate, at least partially, for the loss of revenues from air traffic services, we continued to take extensive austerity measures in costs. For example, performance savings reached more than 30% of the volume of costs in 2019. Significant savings were also made in personnel costs, where, in addition to freezing partial wage components, the headcount was also reduced by more than 8%.

Costs of 437,850K CZK were recorded for consumed purchases and services. Within this cost group, 62,694K CZK were spent on consumed purchases, and 375,156K CZK on consumed services.

The drawing of costs in the group of personnel costs reached the volume of 1,473,217K CZK. The development of personnel costs reflected the ongoing application of extensive austerity measures adopted in 2020.

Other operating revenues reached the volume of 242,424K CZK in 2021. The amount is comprised of the payment of the Czech Republic's membership fee to the budget of EUROCONTROL, the costs of the National Supervisory Authority (CAA), and the expenses for liability and property insurance of the company. The year-on-year value of other operating costs did not change significantly.

In the cost group "Write-offs, creation and use of provisions and loss allowances", costs amounted to 627,704K CZK, which also corresponds to the level of costs recorded in this cost group in the previous year.

The total volume of financial costs in 2021 amounted to 59,432K CZK. Financial costs were fundamentally affected by exchange rate volatility in 2021.

Costs within the cost groups were as follows:

C O S T S (CZK thousands)	2017	2018	2019	2020	2021
Consumption of materials and services	586,572	599,625	630,824	473,712	437,850
Personnel costs	2,245,227	2,377,010	2,403,492	1,923,243	1,473,217
Other operating expenses	230,705	236,852	243,761	248,296	242,423
Depreciation, provisions and allowances	537,682	590,302	623,946	627,928	627,704
Total financial costs	103,789	144,039	40,208	122,503	59,432
Taxes and fees (including income tax)	100,272	76,165	51,669	-137,909	-43,693
TOTAL COSTS	3,804,247	4,023,993	3,993,900	3,257,773	2,796,933

Profit/Loss of the Company

In 2021, ANS CR, for the second time in its history as an independent enterprise, sustained a book loss in the total amount of **-845,423K CZK**. After taking an income tax (including deferred tax) in the amount of -46,735K CZK into account, **the economic result – (net) loss is -798,688K CZK**. The year-on-year loss before tax was reduced by 710,194K CZK, which represents a loss reduction of 46.7%.

The financial situation of ANS CR was stable in 2021, and the company was able to meet all its commitments related to ensuring its activities as well as its obligations in relation to the state budget at the cost of its growing indebtedness. For this reason, it is necessary to continue to apply austerity measures both in the operational and investment areas, in order to maintain the ability to meet the obligations toward the state, key suppliers, employees and, in the future, the financing banks.

Consolidated Profit/Loss for the Group

For 2021, the annual financial statements were consolidated in line with the national accounting standards for the entire Group consisting of the parent company, Czech Aviation Training Centre, s.r.o. (CATC) and its subsidiary CATC India, plc. The consolidated net earnings include the net earnings of entities in the Group adjusted for transactions within the Group and accounted consolidation difference.

The consolidated net earnings (loss) after tax for the entire Group at the balance sheet date, i.e. as of

31 December 2021, amounted to **-821,535K CZK**. The data show a continued negative impact of the coronavirus pandemic on all entities in the Group.

Events after the Balance Sheet Date

On 4 March 2022, the new TopSky air traffic control system was fully deployed with an ambition to meet high technical and capacity requirements expected from control systems in the 21st century. It will also fulfil the requirements of the European Commission under the Single European Sky programme for technical competence and related certification of European air navigation service providers.

The war conflict in Ukraine began in February 2022. This fact and the subsequently adopted economic and political sanctions against Russia will have a significant impact on the civil aviation sector. The impact on the company's situation will be monitored and evaluated on an ongoing basis. As at the date of compilation of the Financial Statements, following an analysis of receivables and revenues, the expected effects on the financial situation of the company are not threatening.

In March 2022, the EC Performance Review Body (PRB) assessed the Performance Plan of the Czech Republic for RP3 as meeting Europe-wide targets and endorsed it for approval. The Performance Plan of the Czech Republic for the third reference period thus lays robust grounds for further development of the company in the coming years.

Performance in the Airspace of the Czech Republic

The ongoing COVID-19 pandemic clearly affected air traffic performance in the Czech airspace during 2021 despite gradual revitalisation of air transport in Europe at the end of the year. In 2021, persisting, but also newly introduced travel restrictions were the main factor with a significant negative impact on the rapidly changing structure of both scheduled and charter lines in Europe.

In 2021, ANS CR provided services for a total of 423,792 flights, which is 53.3% less than in 2019, although 11.7% more flights were made than in the previous year, 2020, which was most affected by the crisis. It is possible to observe the return of the typical growth curve in the number of flights with a peak in the summer season, although this time the peak occurred only at the end of summer, in August and September 2021. Nonetheless, the biggest year-on-year increase in the number of movements took place at the beginning of summer, in June 2021 (by 98.5%), when the same month had been significantly affected by the minimum number of flights in the first wave of the pandemic in 2020. Further records of year-on-year growth were observed at the end of the year (year-on-year growth by 97.5% in December 2021), which can be assessed optimistically as a sign of gradual improvement in the development trend.

Also in 2021, passenger air transport was considerably affected by the crisis, whereas carriers from Turkey and the Persian Gulf and the largest low-cost carriers were relatively best able to cope with the negative situation. An increased share was observed again in the segment of cargo air transport, which is also documented by a higher share of carriers providing cargo transport in the total volume of services provided in the Czech Republic.

The performance expressed in charged service units in 2021 still showed a greater decline as against the data from 2019 than the drop in the number of movements. Overall, the number of service units is lagging behind the figure reported in 2019 by 56.4%. Nevertheless, we assess an increase by 12.5% in the number of service units in comparison to 2020 as a positive result. We observe a higher year-on-year rate of increase in performance units compared to the number of flights during July and August 2021, which can be linked to a greater recovery of tourist flights to typical holiday destinations by larger aircraft with higher MTOW. As was the case last year, the COVID-19 crisis of course again affected

the deviation from the number of service units predicted for 2021 by the Performance Plan of the Czech Republic proposed for the third reference period. The reality of 2021, measured by the number of service units, is lagging behind assumptions of the Performance Plan by 61.7%.

Performance of EUROCONTROL Member States' Airspace in Service Units

In 2021, the ongoing global COVID-19 pandemic showed a negative trend in the number of service units in all EUROCONTROL Member States when comparing performance in terms of operation with the last standard year, 2019. An average drop in the number of service units in all EUROCONTROL Member States was 46.3%; nonetheless, in comparison with 2020, varied development may be seen in each Member State or groups of states, considering the structure of the local air traffic. Unfortunately, the Czech Republic ranks among the most affected countries with a 56.4% decrease in the number of service units compared to 2019, which is the second worst result in the whole European area with the first being Armenia with a 63.5% decline. For example, the United Kingdom, one of the countries with the most significant travel restrictions during the pandemic period, where the 56.1% air traffic decline was similar when compared to 2019, reported a similar impact as in the Czech Republic. The countries at the south-eastern edge of Europe, benefiting from the fact that they themselves were either sought-after target destinations during the summer season (e.g. Greece -32.6% of air traffic compared to 2019 or Croatia -30.8%) or transit countries of such operations (Albania, North Macedonia), are recovering relatively best from the drastic decline in air traffic. In 2021, the smallest downturn reported Lithuania – only 28.4% less service units than in 2019.

Aircraft Movements and Performance Units at Airports in the Czech Republic Controlled by ANS CR

In 2021, the Czech airports where ANS CR operates (Prague-Ruzyně, Brno-Tuřany, Ostrava-Mošnov and Karlovy Vary) reported 122,959 aircraft movements, which is 46.6% less than in 2019 and 0.6% less than in 2020. Nevertheless, the development in the number of performance units, illustrating the impact on the company's economy, shows a different trend – whereas the number of terminal service units, reflecting the weight factor of landing aircraft, in 2021 represents a 62.3% decrease compared to performance in

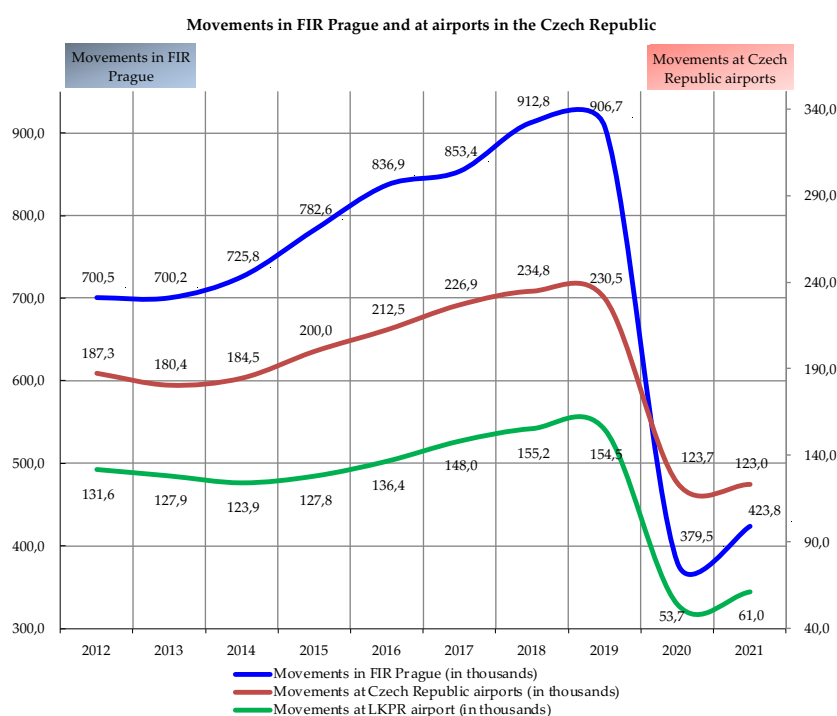
2019, the number of performance units rose by 16.7% as against the previous year. This, of course, signals a change in the trend reflecting gradual return of operation of aircraft with a higher MTOW at the airports of the Czech Republic.

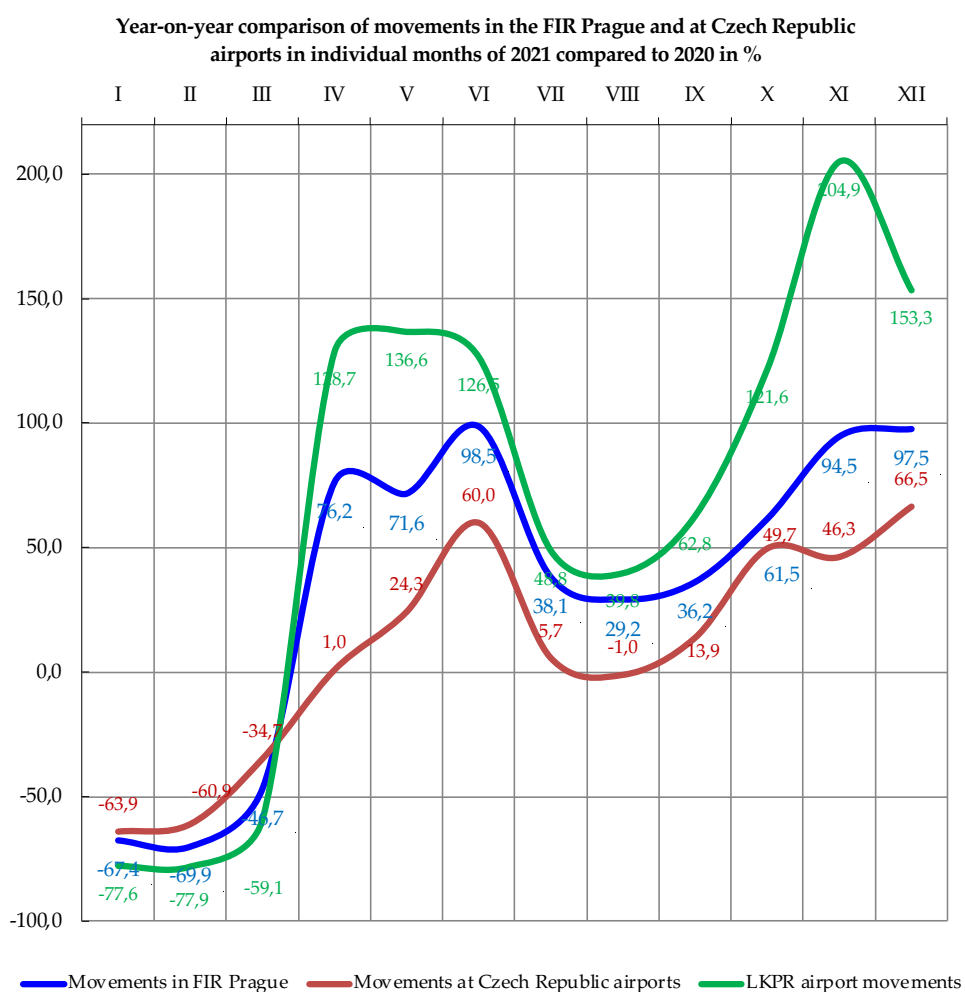
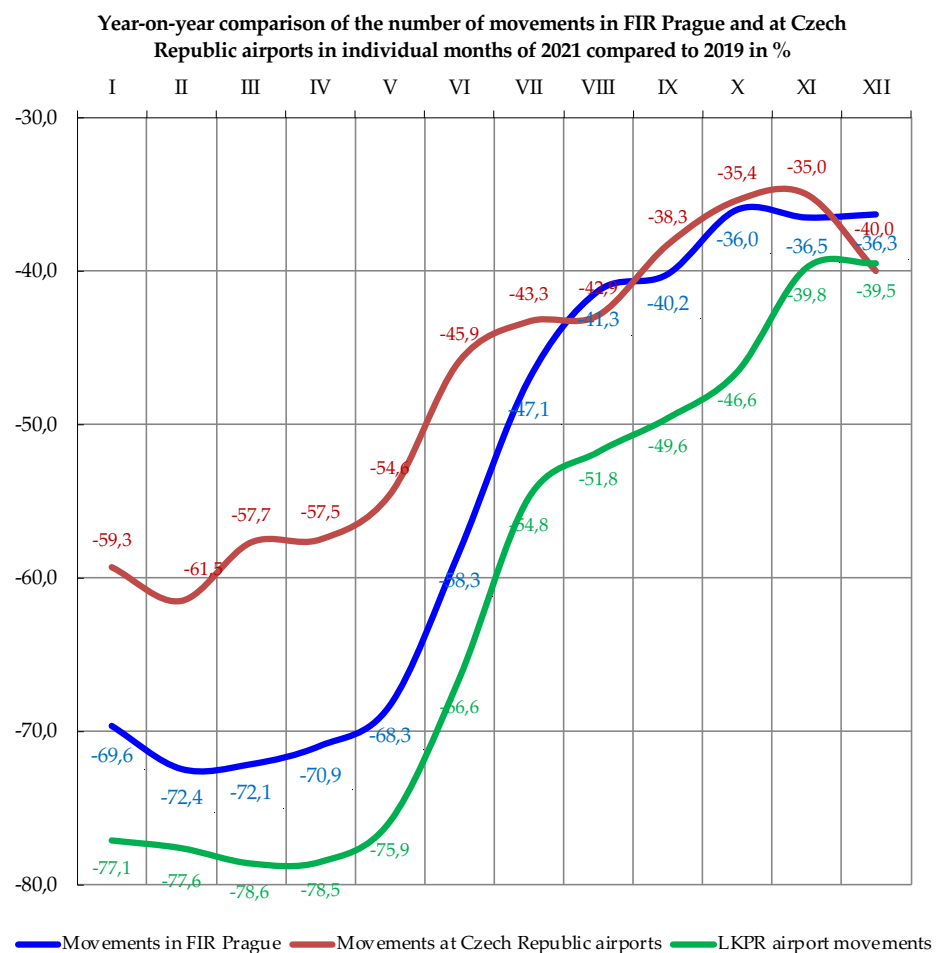
In 2021, at Prague-Ruzyně Airport, ANS CR provided services for a total of 61,015 aircraft movements, which is 60.5% less than in 2019, but it means a 13.6% year-on-year increase compared to 2020. As regards terminal service units at Prague Airport, there was a 65.7% fall compared to 2019, but the number of performance units went up by 13.2% year-on-year as against 2020. For the second year, we have seen a reduction in the average value of MTOW of landing aircraft at Prague-Ruzyně Airport: in 2021, it was 59.1 tonnes per arrival; in 2020, it was 59.6 tonnes; and in 2019, even 69.4 tonnes. Thus, the trend towards deployment of smaller aircraft types with lower MTOW in carriers' fleet on regular lines and a higher proportion of general aviation flights continues as compared with the pre-crisis period. In 2021, Prague-Ruzyně Airport reported 49.6% of the total number of flights made at all airports, where ANS CR provides its services, but in terms of the number of terminal service units, the share was 83.9%.

After a year-long break, the domestic carrier Smartwings re-assumed the position of the major user of terminal navigation services at Prague Airport, whose share in the

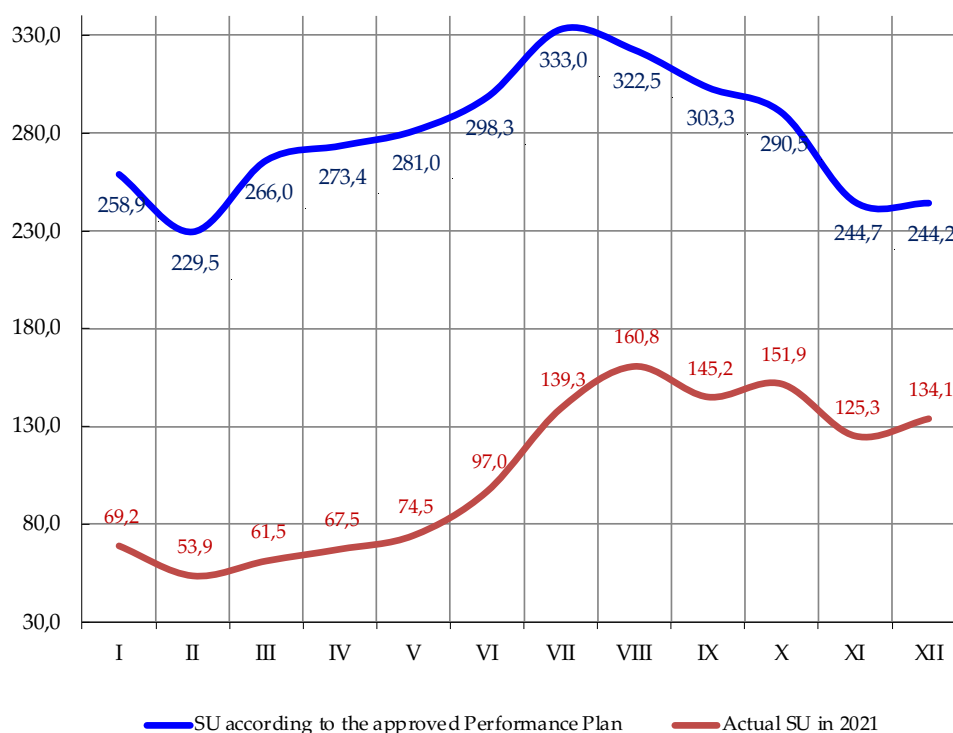
total volume of services provided by ANS CR reaches 21.9%. The second major user was Ireland-based Ryanair with 12.8%, followed by Lufthansa, CSA, Qatar Airways, KLM, Emirates, Turkish Airlines, UPS Airlines and easyJet – their shares ranged between 5% and 2% of the total volume of services provided in 2021.

The number of movements at regional airports where ANS CR provides services decreased by 11.6% year-on-year, and when compared to 2019 by as much as 18.5%. Ostrava-Mošnov was the only airport where there was a rise in the number of movements compared to 2020. In the case of performance units reflecting the level of revenues for services, there was an increase compared to 2020 at both Ostrava Airport (by 45.4%) and Brno-Tuřany Airport (by 52.7%). The growing number of terminal service units at both regional airports reflects the return of scheduled and charter passenger transport during 2021. In contrast, Karlovy Vary Airport pursued a continuing downward trend in the number of movements and terminal service units in 2021. Overall, at all regional airports where air traffic is controlled by ANS CR, there was a year-on-year 35.4% increase in the number of terminal service units compared to 2020, but the total volume of services provided, measured by these units, fell by 22.5% compared to 2019.

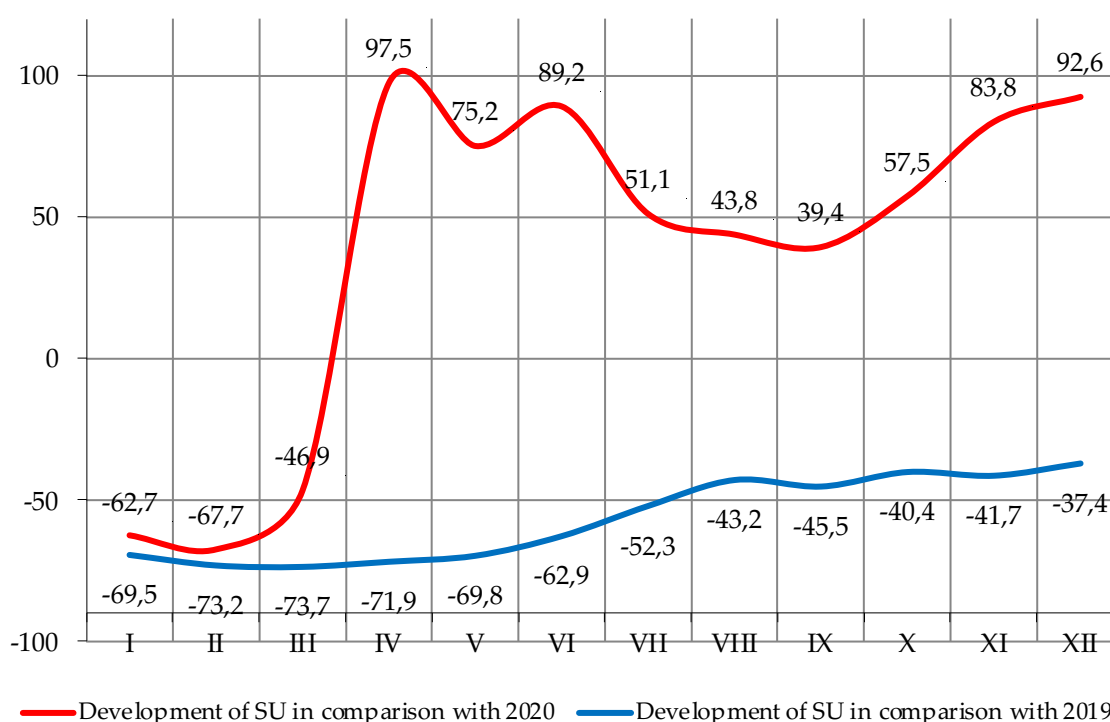




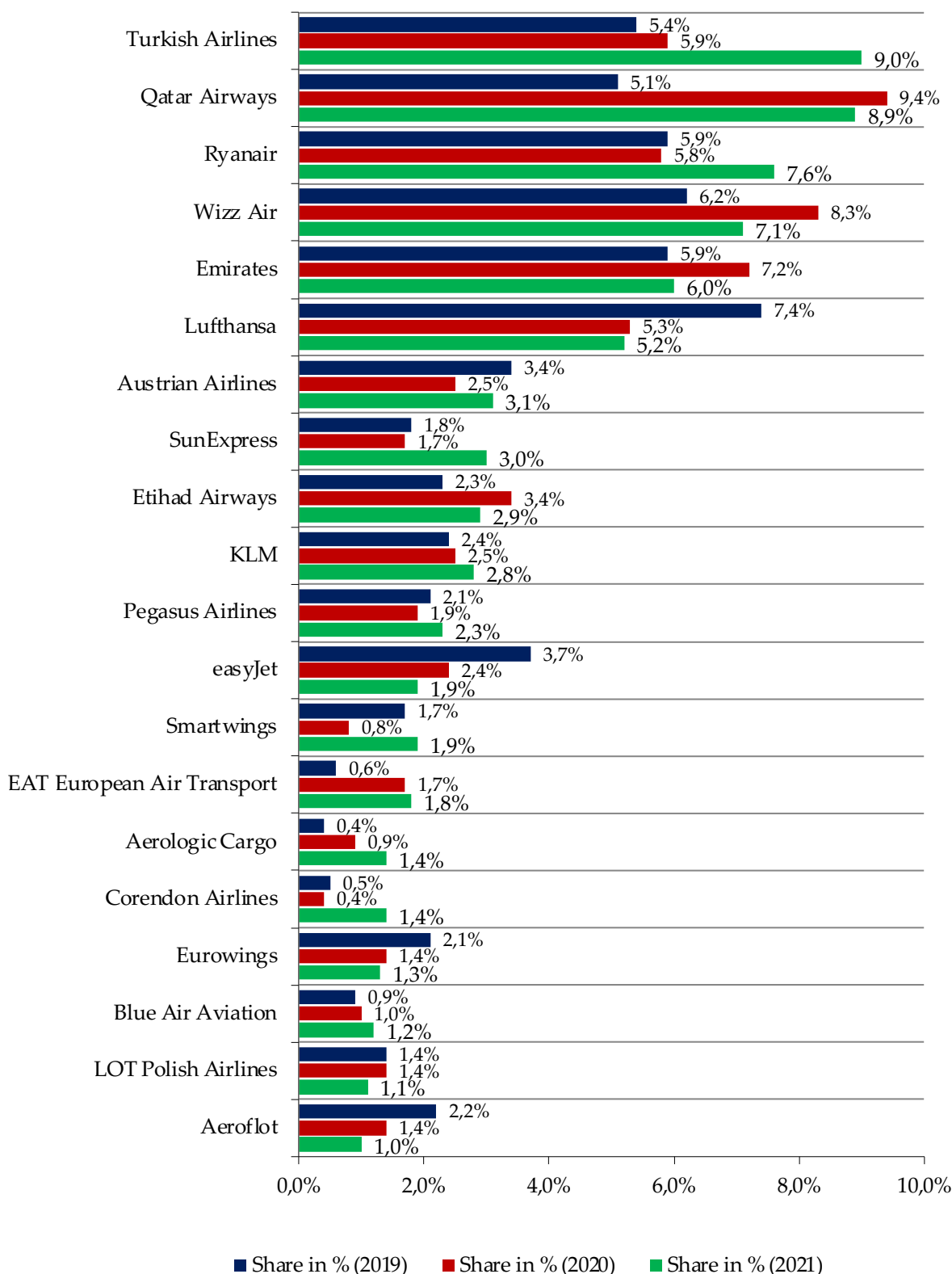
Comparison of the development of the number of service units in the Prague FIR (in thousands) between the values presented in the revised Performance Plan of the Czech Republic for the 3rd reference period and the actual values achieved in individual month



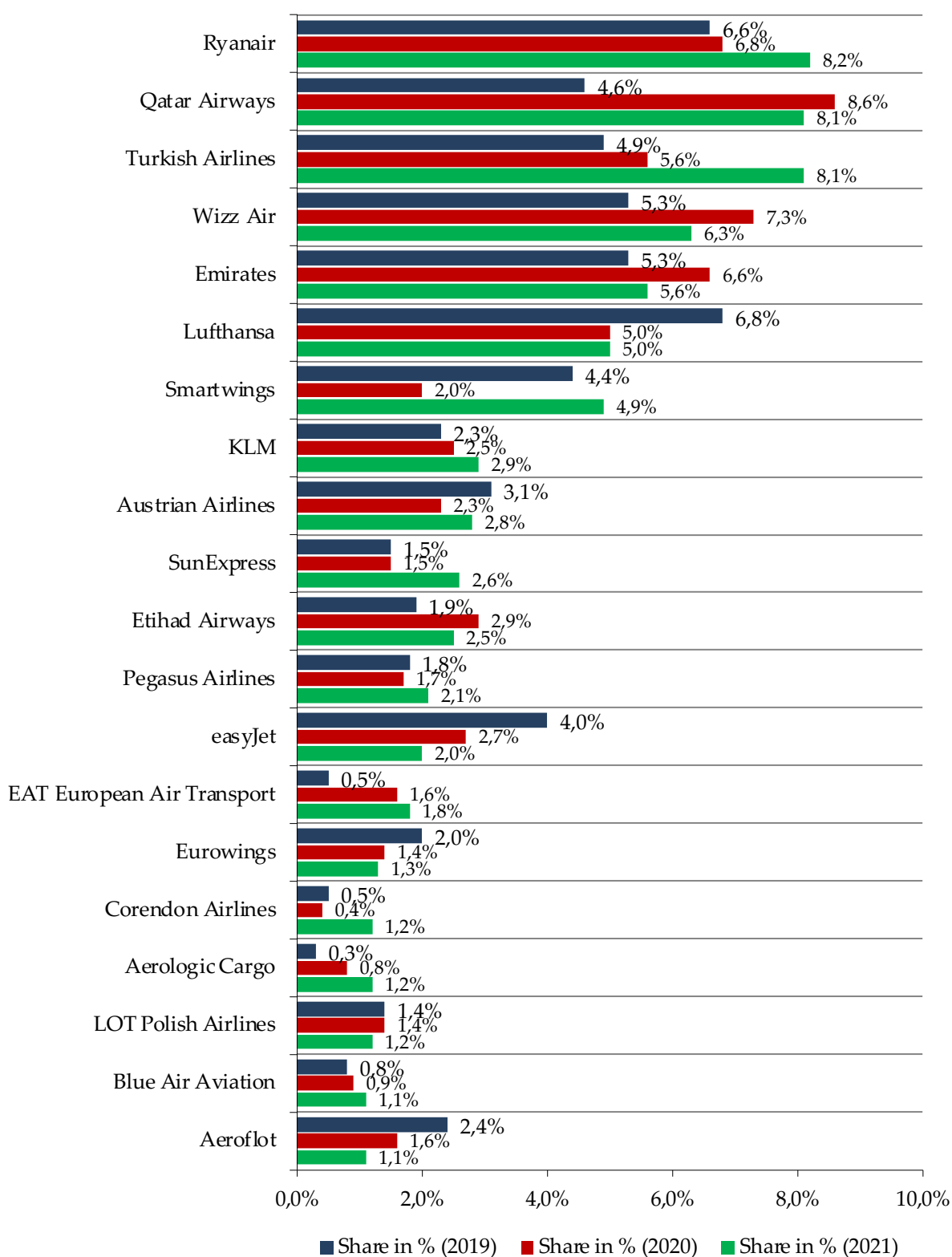
Year-on-year comparison of the actual development of the number of service units in FIR Prague in individual months of 2021 in % compared to 2020 and 2019



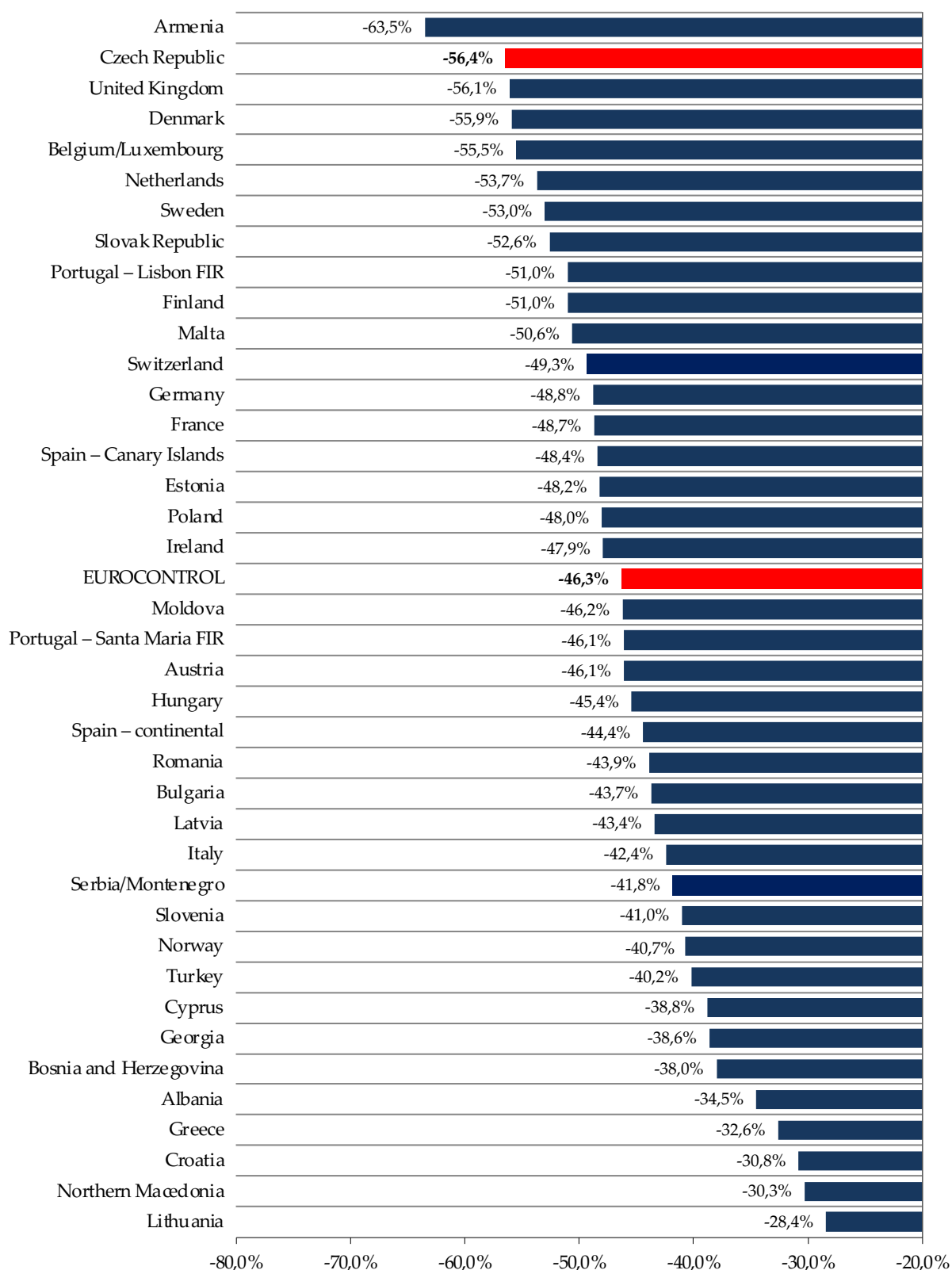
The major customers of ANS CR in 2021 – users of en-route navigation services in the Czech Republic airspace (% share in the total volume of services provided in the 2019–2021 period)



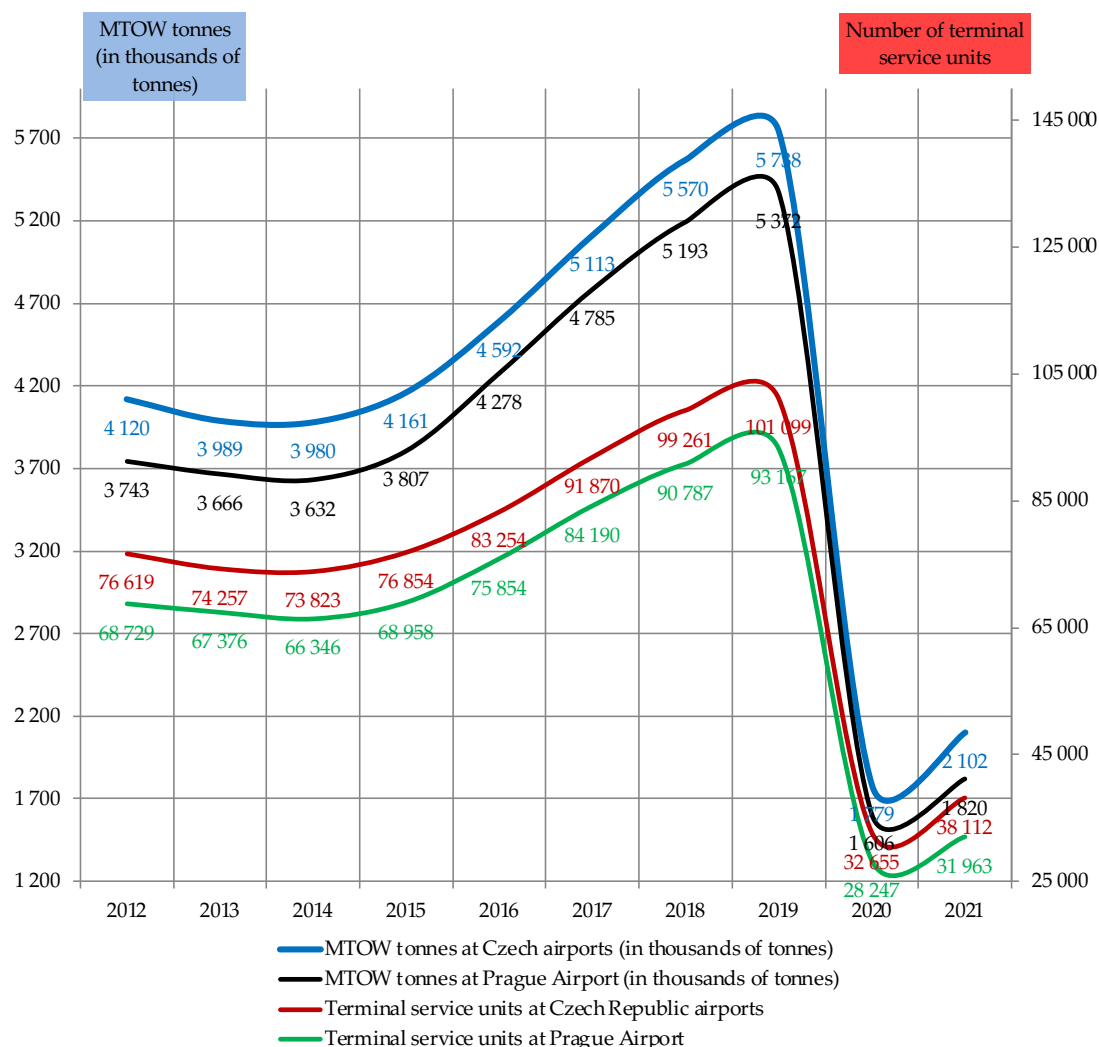
The major customers of ANS CR in 2021 – users of air traffic services in the Czech Republic airspace (% share in the total volume of services provided for en-route and terminal services simultaneously, and comparison with 2020 and 2019)



**Performance development in Member States' service units (chargeable)
EUROCONTROL 2021/2019 (%)**

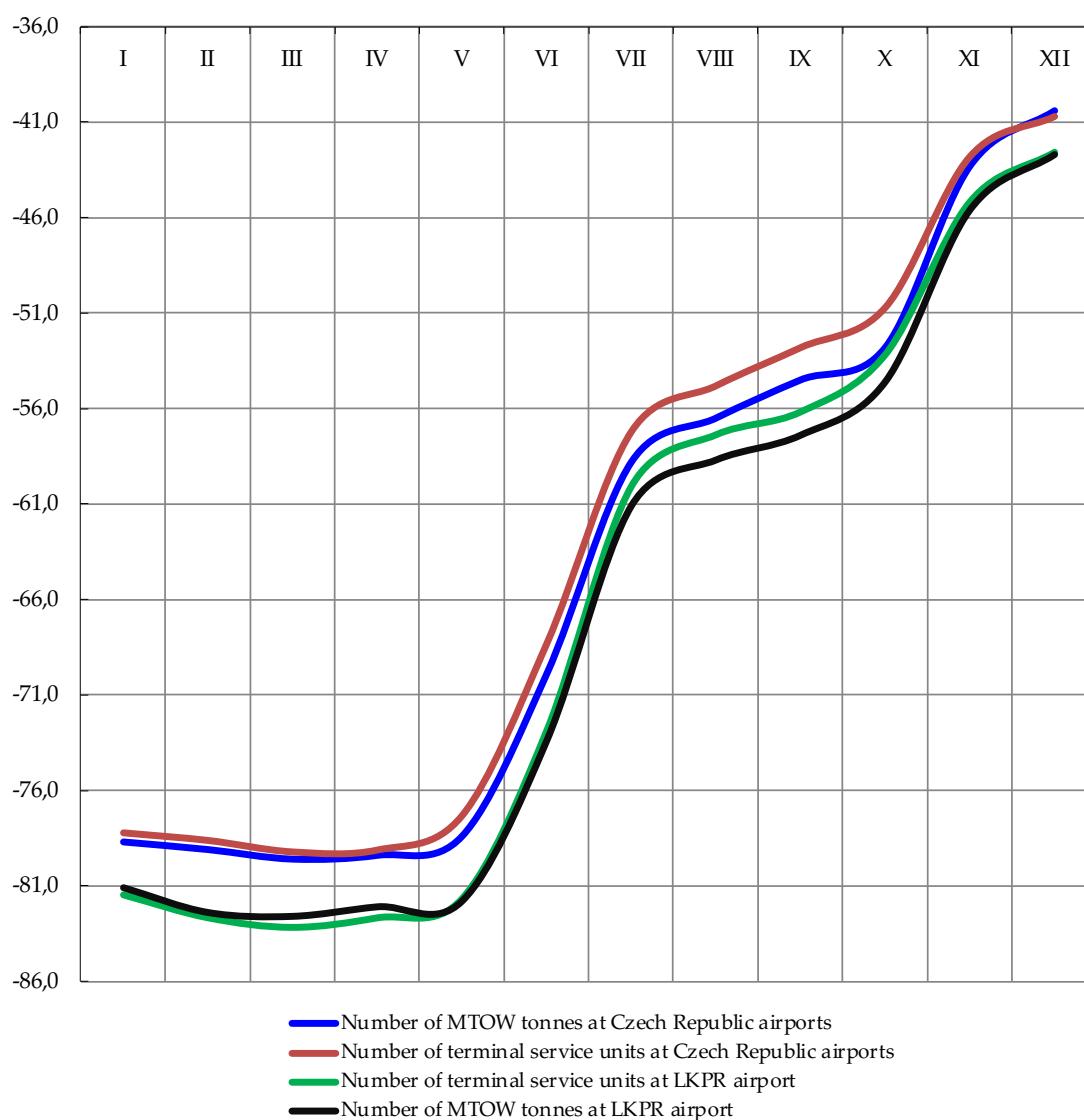


Number of performance units at airports in the Czech Republic, and at Prague – Ruzyně Airport, (in thousands of MTOW tonnes and terminal service units)



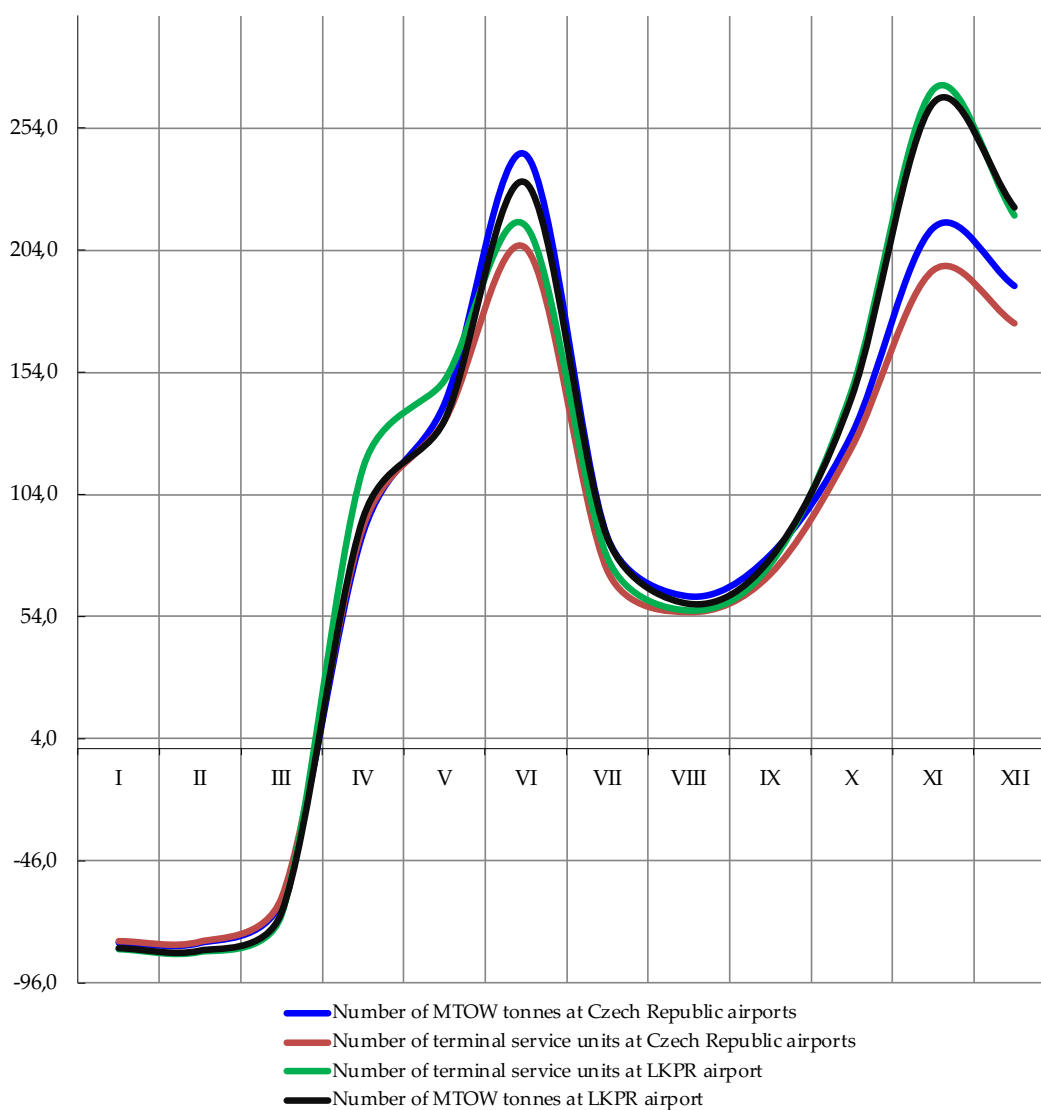
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Number of MTOW tonnes at CR airports (in thousands of tonnes)	4,120	3,989	3,980	4,161	4,592	5,113	5,570	5,738	1,779	2,102
Number of MTOW tonnes at Prague airport (in thousands of tonnes)	3,743	3,666	3,632	3,807	4,278	4,785	5,193	5,372	1,606	1,820
Terminal service units at CR airports	76,619	74,257	73,823	76,854	83,254	91,870	99,261	101,099	32,655	38,112
Terminal service units at Prague airport	68,729	67,376	66,346	68,958	75,854	84,190	90,787	93,167	28,247	31,963

Year-on-year comparison of the number of performance units at Czech airports in individual months of 2021 in % compared to 2019



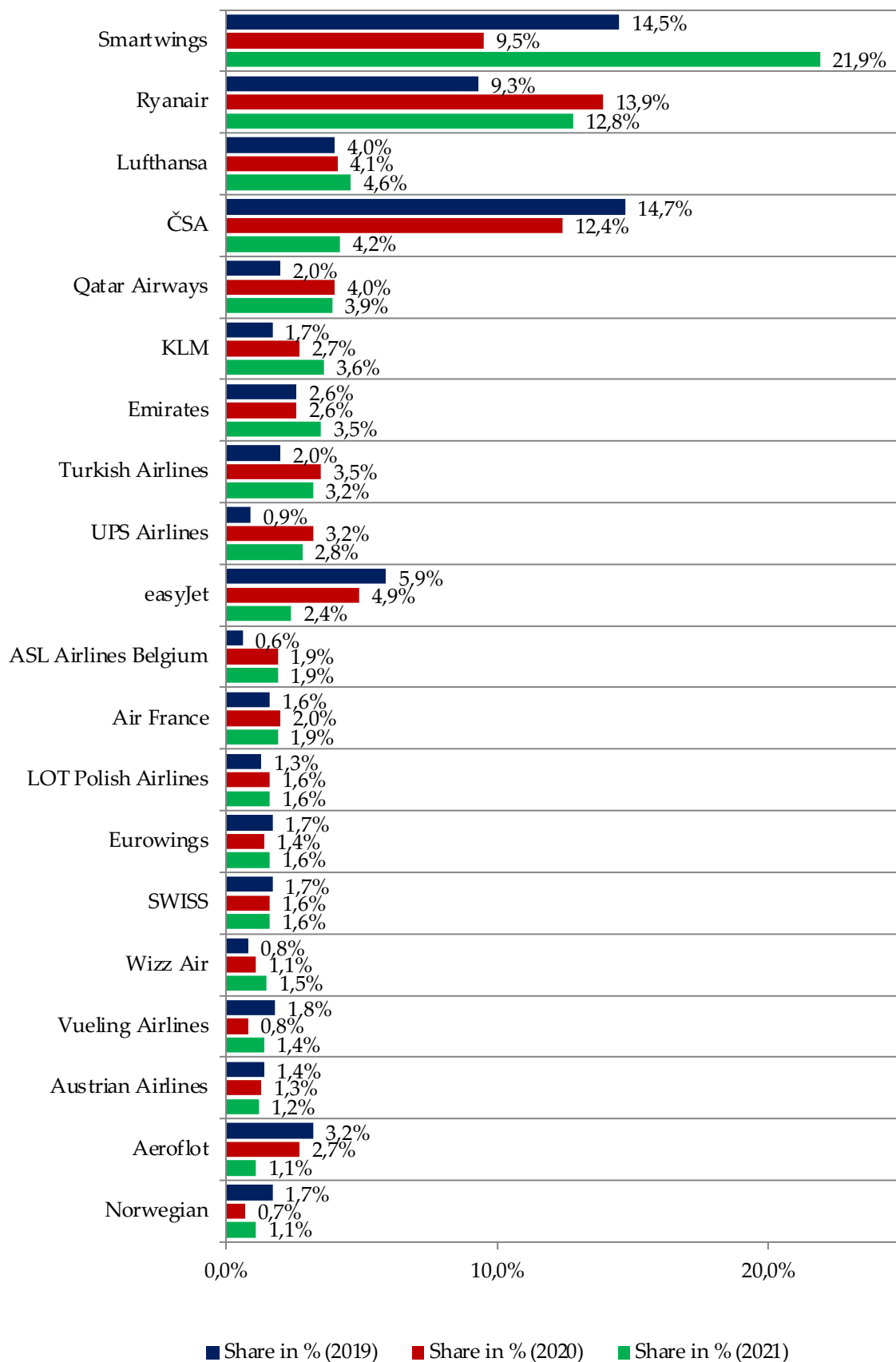
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Number of MTOW tonnes at CR airports	-78.7	-79.1	-79.6	-79.4	-78.4	-69.9	-58.8	-56.5	-54.5	-52.8	-43.3	-40.4
Number of MTOW tonnes at Prague Airport	-81.1	-82.4	-82.6	-82.1	-81.8	-73.4	-61.1	-58.7	-57.4	-54.6	-45.6	-42.7
Number of terminal service units at CR airports	-78.2	-78.6	-79.2	-79.1	-77.3	-68.3	-57.2	-54.8	-52.8	-50.7	-42.8	-40.7
Number of terminal service units at LKPR	-81.5	-82.7	-83.2	-82.7	-81.7	-72.9	-60.1	-57.4	-56.2	-53.2	-45.2	-42.6

Year-on-year comparison of the number of performance units at Czech airports in individual months of 2021 in % compared to 2020



	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Number of MTOW tonnes at CR airports	-79.6	-79.7	-62.2	88.1	141.0	243.0	86.6	62.2	79.1	128.4	213.0	189.3
Number of MTOW tonnes at Prague Airport	-81.9	-82.9	-67.3	94.2	134.3	231.7	86.3	59.2	77.6	143.7	264.3	221.6
Number of terminal service units at CR airports	-79.0	-79.2	-61.2	90.6	134.2	204.9	72.9	55.8	71.3	123.2	195.8	174.1
Number of terminal service units at LKPR	-82.1	-83.2	-68.0	114.7	150.6	213.8	78.2	56.5	75.3	146.4	269.5	218.1

The major customers of ANS CR in 2020 – users of terminal services at Prague–Ruzyně Airport (% share of the total volume of terminal service units and comparison with the 2019–2021 period)



Charges for Provided Air Navigation Services

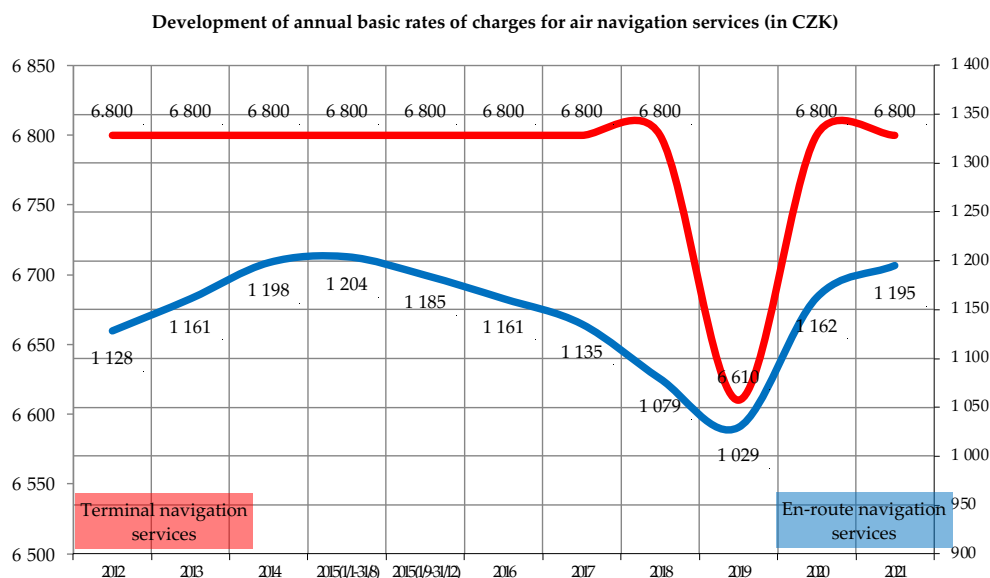
Prices for air navigation services provided by ANS CR during the whole third reference period (2020–2024) have been determined in accordance with Commission Implementing Regulation (EU) 2019/317 laying down a performance and charging scheme in the single European sky, approved under the Single European Sky (SES) project. In November 2020, Commission Implementing Regulation (EU) 2020/1627 on exceptional measures for the third reference period (2020–2024) due to the COVID-19 pandemic was approved. Regulations include pricing for both types of services provided, i.e. en-route navigation services in Czech airspace and terminal services provided at controlled airports in the Czech Republic. This legislation defines the process for determining unit prices of air traffic service providers of EU Member States, including ANS CR, for the third reference period in the form of performance indicators and the shared risk principle with service users. The Performance Plan is basically set for a five-year reference period, where 2020 was the first year of the third reference period. Prices for en-route navigation services are performance indicators and as such are approved by the national regulator (Civil Aviation Authority) and the European Commission.

The prices for en-route navigation services in 2021 were designed as performance indicators which are compared on year-on-year basis in constant prices of 2017 and were based on the draft Performance Plan for the third reference period, submitted in 2019. Due to a significant change in the European airspace situation in 2020, the Performance

Plans for each Member State for the third reference period were compiled again in 2021 and will be subject to approval process under the revised legislation during this period. The Performance Review Body, which assists the European Commission in this process, has endorsed the revised Performance Plan for the Czech Republic for approval.

In general, charges are set in accordance with the International Civil Aviation Organisation (ICAO) rules and other applicable European Commission regulations. As in previous years, in 2021, the costs for en-route navigation services were governed by an operational document the European Air Traffic Safety Organisation (EUROCONTROL), which further elaborates on the above-mentioned European legislation, i.e. the Principles for Establishing the Cost-Base for En-Route Charges and the Calculation of the Unit Rates.

Consultations with services users, i.e. organisations representing the interests of air navigation services users, form an integral part of the price setting process. During the 2021 price setting process, the consultations of prices for en-route navigation services were again organised at the level of EUROCONTROL Member States. Also, consultations regarding a new version of the Performance Plan were held by the regulator on the ANS CR premises. The consultations of prices for terminal navigation services were held by the European Commission.



Charges for En-Route Navigation Services

Based on the membership of the Czech Republic in EUROCONTROL and access to the Multilateral Convention on Flight Charges, the billing, collection and recovery of charges for en-route navigation services are provided by the Central Route Charges Office (CRCO) at EUROCONTROL, based in Brussels, with effect from 1 January 1996.

The basis for calculating en-route navigation charges is a rate per service unit. The service unit is defined as the number of kilometres flown through Czech airspace divided by 100, and multiplied by the square root of 1/50 of the maximum take-off weight of the aircraft (MTOW) in tonnes.

The base unit price of the en-route navigation services charge in 2021 was set at 1,194.99 CZK, i.e. the global unit price of EUR 45.01 per service unit, according to the draft Performance Plan for the Czech Republic submitted in 2019. The cost base was set in CZK.

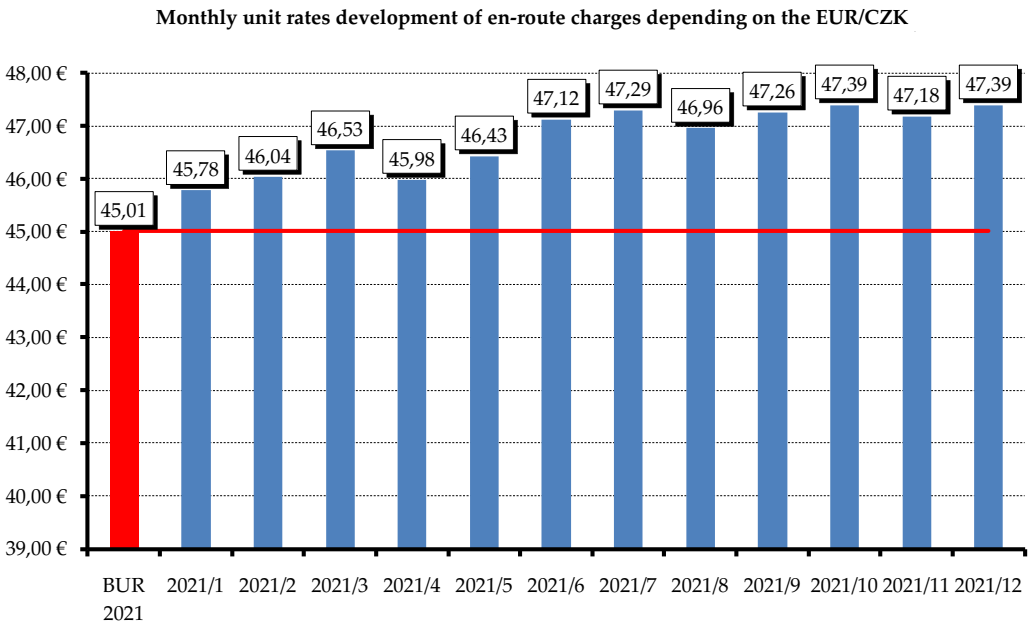
The global unit rate set for a whole period of one year is, after conversion into EUR, only a reference price. The real price paid in EUR by service users during a period of one calendar month depends on the EUR/CZK exchange rate volatility during the year. The graph below shows the actual en-route navigation service rates charged to service users in the Czech Republic in each month compared to the base reference rate announced for 2021, depending on exchange rate volatility. In all the monthly accounting periods of 2021,

the monthly adjusted price level was above the declared base price.

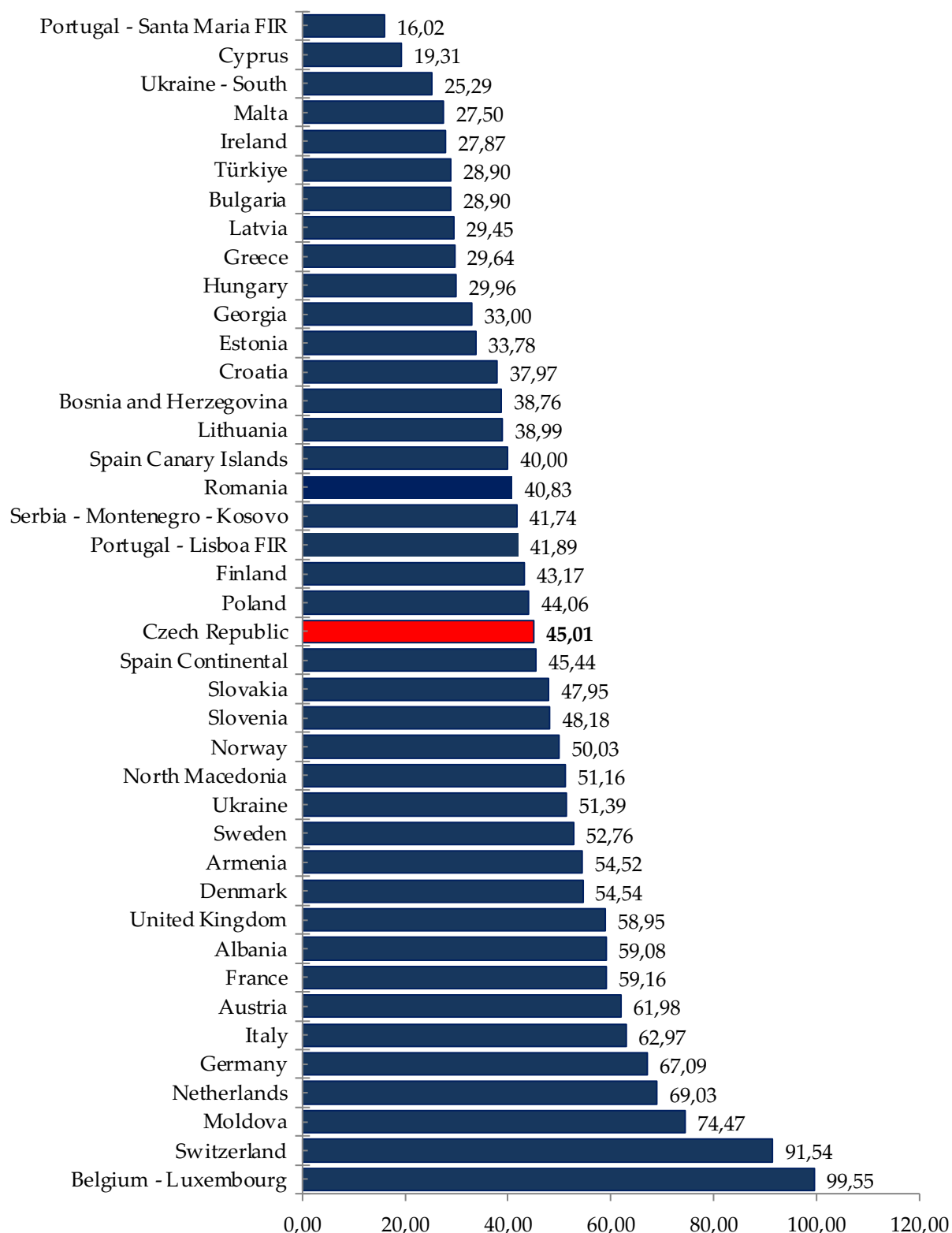
In comparison with all unit rates of charges for en-route navigation services of EUROCONTROL Member States, the global unit rate of charge in Czech airspace announced for 2021 corresponds to the average rate in the price spectrum. An overview of the price level of unit rates for en-route navigation services for member states of EUROCONTROL is shown in the chart.

Following the decision of the government, the following categories of flights were exempt from charging for en-route services in 2021:

- flights made exclusively under VFR,
- Flights of aircraft up to the maximum take-off weight of 2 tonnes, inclusive,
- flights of state importance (flights made exclusively for transporting heads of states, heads of governments and ministers during their official trips),
- flights for search and rescue purposes authorised by the competent RCC authority,
- flights of state aircraft of states from the North Atlantic Treaty Organisation (NATO), Austria and Brazil, with the exception of the Czech Republic,
- flights performed exclusively for the purpose of testing and checking ground navigation equipment,
- flights made by customs and police authorities.



Eurocontrol Member States 2021 Global Unit Rate for En-route navigation services comparison (EUR/Service Unit)



Charges for Terminal Navigation Services for Controlled Flights

The process for determining the prices for terminal navigation services is governed by the provisions of Commission Implementing Regulation (EU) 2019/317 laying down a performance and charging scheme in the single European sky, as amended by Commission Implementing Regulation (EU) 2020/1627 on exceptional measures for the third reference period (2020–2024) due to the COVID-19 pandemic. The price is set for one terminal service unit, which is defined as the weight factor corresponding to 1/50 of the certified MTOW of the landing aircraft, raised to a power of 0.7. ANS CR provides the billing and collection of charges for terminal navigation services of controlled flights at airports in Prague-Ruzyně, Karlovy Vary, Brno-Tuřany, and Ostrava-Mošnov.

In 2021, the price for terminal navigation services remained at 6,800,00 CZK per terminal service unit as in the previous year. The price for services is declared in Czech crowns. For convenience of foreign customers, the total value of services provided during the course of one month is also converted into EUR on the basis of applicable rules and the daily exchange rate between CZK and EUR as announced by the Czech National Bank on the invoice issue date.

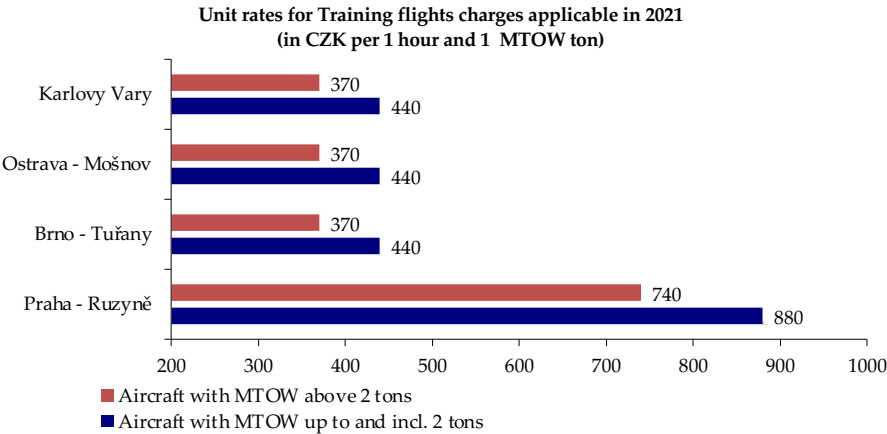
In 2021, based on the Government's decision, the following categories of flights were exempt from terminal navigation service charges:

- flights of aircraft up to the maximum take-off weight of 2 tonnes, inclusive,
- flights of state importance (flights made exclusively for transporting heads of states, heads of governments and ministers during their official trips),

- flights for search and rescue purposes authorised by the competent RCC authority,
- flights of state aircraft of states from the North Atlantic Treaty Organisation (NATO), Austria and Brazil, with the exception of the Czech Republic,
- flights performed exclusively for the purpose of testing and checking ground navigation equipment,
- flights carrying out air rescue services, including secondary and repatriation flights, and flights directly connected with saving human lives,
- flights of aircraft that were forced to return to the airport of departure due to a defect or weather conditions, and aircraft forced to make an emergency landing,
- flights made by customs and police authorities.

Charges for Training Flights

In 2021, training flights conducted at TMA airports controlled by ANS CR were charged, as in previous years, a flat rate per one hour of the duration of the training flight or a proportional part and 1 MTOW tonne of the aircraft. The actual charge for a single training flight was set based on the exact duration of the flight in minutes. For flights of aircraft weighing up to 2 MTOW tonnes, inclusive, a different basic unit rate for charges than in cases of flights of aircraft with higher MTOW was applied. Until the end of 2021, we promoted a higher volume of training flights conducted at regional airports by a single aircraft operator in the course of one calendar month, where a system of preferential rates based on reaching the limit of the minimum number of training hours required was applied while taking into account the possibility of attainment of the required number of training hours at all three regional airports simultaneously.



Decrease in the basic rate for training flights at regional airports depending on the number of training hours achieved by one operator during one calendar month:

Number of hours of training flights / month	Reduction in the basic rate
0–5	0%
5–10	20%
10–20	45%
20–30	55%
More than 30	65%

Recovery of Receivables for Provided Air Navigation Services

Membership of the Czech Republic in EUROCONTROL and its adherence to the Multilateral Agreement relating to Route Charges govern the conditions of charging and recovery of receivables from individual users of en-route navigation services provided by ANS CR in the Czech airspace. This agenda remains under the direct competence of EUROCONTROL CRCO. If necessary, the EUROCONTROL CRCO directly ensures their recovery after maturity, possibly assisted by the air navigation service providers of each Member State. The collection and possible subsequent recovery of receivables from individual users of terminal navigation services provided at Prague-Ruzyně, Karlovy Vary, Brno-Tuřany and Ostrava-Mošnov airports is the direct responsibility of ANS CR.

ANS CR applies a standard receivables recovery mechanism in response to delays in the payment of tax documents by customers. As a standard, financial penalties in the form of late payment interest were applied in 2021 according to

the applicable legislation. In more serious cases of unpaid receivables for terminal navigation services, ANS CR used other available instruments for their recovery on a selective basis, including legal enforcement, filing of due receivables in insolvency proceedings, or in cooperation with civil aviation state administration authorities. In the most serious cases in 2021, ANS CR availed itself of the procedure under the relevant provisions of the Civil Aviation Act, which authorises the company to activate the institute of denial of the provision of air navigation services to customers whose payment of invoices for previously rendered air navigation services is long overdue. This provision constitutes another effective tool for recovering long-term unpaid receivables with a positive impact on their return and is applicable both to the recovery of receivables for terminal navigation services and in the event of delay in payment for en route navigation services by customers to the EUROCONTROL account. In order to ensure coordination with EUROCONTROL, a bilateral agreement has been concluded for this purpose, laying down the rules for cooperation and a common procedure for the recovery of receivables.

The rate of medium-term return on receivables for en-route navigation services was 99.5% in 2021. The indicator of medium-term return on receivables for terminal navigation services was 99.2% in 2021. The success in recover of receivables was still affected by the consequences of the COVID-19 pandemic with a potential impact on the financial situation of air carriers.

Deutsche Lufthansa – It was established in 1926 and currently flies to more than 200 destinations in Europe, Asia, Africa and America. Lufthansa is one of the largest air transport corporations in the world with almost 300 aircraft. Together with its subsidiaries, it regularly transports more than 100 million passengers a year.



Supervisory Board Report

At the meeting of the Supervisory Board of the ANS CR, which took place on 7 April 2022, debate over the annual Financial Statements and financial results of ANS CR for 2021 was one of the points on the agenda.

In 2021, the total revenues of the company amounted to CZK 1,998 million, which is 52% less than in 2019, the year which serves as an objective benchmark (last year with normal air traffic development). Provision of air navigation services was the main source of revenues of ANS CR. The revenues from these services accounted for 89% of the total operating revenues of the company. Revenues from en-route navigation services in the amount of CZK 1,483 million, i.e. 76% of operating revenues, contributed most to the achieved revenues. Another volume of revenues was generated from terminal navigation services in the amount of CZK 245 million, i.e. 13% of operating revenues. For the second time in its history, ANS CR ended up in red numbers, the first time being in 2020. The company's loss for 2021 totals CZK 799 million.

The Supervisory Board, in accordance with Section 13(1) (b) of Act No. 77/1997 Coll., on the state-owned enterprise,

as amended, discussed and acknowledged the annual Financial Statements and Profit and Loss Statement for 2021 and after reviewing, stated that, despite the unfavourable development of the entire business sector in 2021, the financial situation was stable and the company was able to meet all its commitments related to ensuring its activities as well as its obligations in relation to the state budget at the cost of its growing indebtedness.

The Supervisory Board instructed the Director General of ANS CR to submit the Financial Statements to the founder and recommended its approval.



Mrs. MAGDALENA FALTÝSKOVÁ
Chairman of the Supervisory Board

Financial Statements according to National Accounting Standards

Independent Auditor's Report

For the Founder of the Air Navigation Services of the Czech Republic

Auditor's Opinion

We have audited the accompanying Financial Statements of the Air Navigation Services of the Czech Republic (hereinafter the "Company") compiled in compliance with the Czech Accounting Standards and consisting of the Balance Sheet as at 31 December 2021, the Profit and Loss Statement, the Statement of Changes in Equity, and the Cash Flow Overview for the year ended 31 December 2021, and the Annexes to the Financial Statements detailing the description of the relevant accounting methods used and other explanatory information.

In our opinion, the Financial Statements present fairly, in all material respects, the assets and liabilities of the Air Navigation Services of the Czech Republic as at 31 December 2021, its costs, revenues, profit/loss and cash flow for the year ended 31 December 2021 in conformity with the Czech Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with the Act on Auditors and standards of the Chamber of Auditors of the Czech Republic for auditing, which are International Standards on Auditing (ISA), if need be, supplemented and modified by related application clauses. Our responsibilities stipulated by the said Standards are described in more detail in the Auditor's Responsibility for Audit of the Financial Statements section. We are independent of the Company as per the Act on Auditors and the Code of Conduct adopted by the Chamber of Auditors of the Czech Republic and we have also met other ethical obligations arising from these regulations. We believe that the evidence that we have gathered provides a sufficient and reasonable basis for our opinion.

Other information specified in the Annual Report

Pursuant to Section 2(b) of the Act on Auditors, other information is information specified in the Annual Report outside the Financial Statements and our Auditor's Opinion. The governing body of the Company is responsible for other information.

The Company does not draw up an annual report for individual financial statements and includes other information in the Consolidated Annual Report. For this reason, our comments on other information are not part of this Audit Report.

Responsibility of the governing body (Director General), supervisory body (Supervisory Board) and Audit Committee of the Company for the Financial Statements

The governing body of the Company is responsible for preparing the Financial Statements that present a true and fair view in compliance with the Czech Accounting Standards and for such an internal control system that is deemed necessary for the preparation of the Financial Statements so that it would be free from significant (material) misstatement, whether due to fraud or error.

When compiling the Financial Statements, the governing body of the Company shall assess whether the Company is a going concern and, if relevant, describe in the Annex to the Financial Statements all the matters relating thereto on the assumption that the Company is a going concern upon compilation of the Financial Statements except for the cases when the governing body plans to wind up the Company or terminate its activities and/or has no other real option than to do so.

The supervisory body and the Audit Committee are responsible for supervising the financial reporting process of the Company.

Auditor's responsibility for audit of the Financial Statements

Our aim is to obtain reasonable assurance that the Financial Statements are free from significant (material) misstatement, whether due to fraud or error, and issue the Audit Report containing our opinion. A reasonable assurance is a high level of assurance; nevertheless, it is not a guarantee that the audit carried out in accordance with the aforementioned regulations may detect all cases of possible existing significant (material) misstatement in the Financial Statements. Misstatement may occur due to fraud or error and is deemed significant (material) if it may be reasonably assumed that it, individually or in summary, may affect the economic decisions made by users of the Financial Statements and based thereon.

When conducting an audit in compliance with the aforementioned regulations, it is our duty to exercise professional judgement and professional scepticism throughout the audit. Furthermore, it is our duty to:

- Identify and assess the risks of significant (material) misstatement in the Financial Statements, whether due to fraud or error, propose and carry out audit procedures responding to such risks and obtain sufficient and appropriate evidence based on which we would be able to issue our opinion. The risk that we do not detect any significant (material) misstatement caused by fraud is greater than the risk of not detecting any significant (material) misstatement caused by error as the fraud may include collusion, falsification, intentional omissions, false statements, or circumvention of internal controls.
- Get familiar with the internal control system of the Company relevant for audit to such an extent to be able to propose audit procedures appropriate with regard to the given circumstances and not to express an opinion on the effectiveness of the internal control system thereof.
- Evaluate the appropriateness of accounting policies used, the reasonableness of accounting estimates made, as well as evaluate the overall presentation of information in the Financial Statements by the governing body in relation thereto.
- Assess the appropriateness of the assumption that the Company is a going concern upon compilation of the Financial Statements by the governing body and whether, with regard to the evidence gathered, there is significant (material) uncertainty arising from events or conditions that could cast substantial doubt on the Company's ability to be a going concern. If we conclude that such significant (material) misstatement exists, it is our duty to draw attention to the information given in this relation in the Annex to the Financial Statements in our Audit Report and, should such information be insufficient, express a modified opinion. Our conclusions on the Company's ability to be a going concern are based on the evidence we have obtained by the date of our

Audit Report. Nonetheless, future events or conditions may result in the Company's loss of ability to be a going concern.

- Evaluate the overall presentation, segmentation and content of the Financial Statements, including Annexes, and the fact whether the Financial Statements reflect underlying transactions and events in a manner presenting a fair view.

Our duty is to inform the governing body and the supervisory body about, inter alia, the planned scope and timing of audit and any significant findings we have made during audit, including any identified significant deficiencies in the internal control system.

It is also our duty to provide the Audit Committee with a statement that we have met the relevant ethical requirements relating to independence, and to inform about all relations and other matters that can reasonably be considered to have an impact on our independence as well as any related measures.

In Prague on 30 March 2022

Audit firm:
Grant Thornton Audit s.r.o.
Pujmanové 1753/10a, Praha 4
Registration number 603

Mr. Jan Vácha
Auditor, Registration number 2379

BALANCE SHEET

in full (CZK thousands) compiled as at: 31 December 2021

Statement line / Content of the item				Value in the current accounting period			Value in the past accounting period Net
				Gross	Correction	Net	
TOTAL ASSETS				14,655,793	-8,136,482	6,519,311	6,815,103
B.	Fixed assets			13,171,702	-8,075,202	5,096,500	5,101,658
	B.I.	Intangible fixed assets		5,202,841	-3,364,089	1,838,752	1,751,005
		B.I.1.	Research and development	3,861	-3,861		
		B.I.2.	Valuable rights	3,816,031	-3,249,224	566,807	776,334
			B.I.2.1. Software	3,814,705	-3,247,928	566,777	776,121
			B.I.2.2. Other valuable rights	1,326	-1,296	30	213
		B.I.4.	Other intangible fixed assets	134,170	-111,004	23,166	30,260
		B.I.5.	Prepayments for intangible fixed assets and intangible fixed assets in progress	1,248,779		1,248,779	944,411
			B.I.5.2. Intangible fixed assets in progress	1,248,779		1,248,779	944,411
	B.II.	Tangible fixed assets		7,742,586	-4,711,113	3,031,473	3,095,922
		B.II.1.	Land, buildings and structures	3,057,256	-1,540,348	1,516,908	1,593,683
			B.II.1.1. Land	16,425	0	16,425	16,441
			B.II.1.2. Buildings and structures	3,040,831	-1,540,348	1,500,483	1,577,242
		B.II.2.	Tangible movable assets and sets of tangible movable assets	4,474,079	-3,170,620	1,303,459	1,441,212
		B.II.4.	Other tangible fixed assets	2,380	-145	2,235	2,217
			B.II.4.1. Perennial crops	85	-85		
			B.II.4.3. Other tangible fixed assets	2,295	-60	2,235	2,217
		B.II.5.	Prepayments for tangible fixed assets and tangible fixed assets under construction	208,871		208,871	58,810
			B.II.5.2. Tangible fixed assets under construction	208,871		208,871	58,810
	B.III.	Non-current financial assets		226,275		226,275	254,731
		B.III.1.	Equity investments – controlled or controlling entity	225,903		225,903	254,340
		B.III.5.	Other non-current securities and investments	372		372	391

Statement line / Content of the item					Value in the current accounting period			Value in the past accounting period Net
					Gross	Correction	Net	
C.	Current Assets				1,406,775	-61,280	1,345,495	1,649,615
	C.I.	Inventories			20,439	-7,867	12,572	13,696
		C.I.1.	Material		20,112	-7,867	12,245	13,329
		C.I.3.	Products and goods		327		327	367
			C.I.3.2.	Goods	327		327	367
	C.II.	Receivables			697,054	-53,413	643,641	723,726
		C.II.1.	Long-term receivables		32,004		32,004	146
			C.II.1.4.	Deferred tax receivable	31,823		31,823	
			C.II.1.5.	Receivables – other	181		181	146
				C.II.1.5.2. Long-term prepayments made	181		181	146
		C.II.2.	Short-term receivables		665,050	-53,413	611,637	723,580
			C.II.2.1.	Trade receivables	429,770	-46,545	383,225	440,838
			C.II.2.4.	Receivables – other	235,280	-6,868	228,412	282,742
				C.II.2.4.3. State – tax receivables	28,493		28,493	49,709
				C.II.2.4.4. Short-term prepayments made	1,456		1,456	2,641
				C.II.2.4.5. Estimated receivables	5,238		5,238	6,716
				C.II.2.4.6. Sundry receivables	200,093	-6,868	193,225	223,676
	C.IV.	Cash			689,282		689,282	912,193
		C.IV.1.	Cash on hand		1,217		1,217	1,493
		C.IV.2.	Cash at bank		688,065		688,065	910,700
D.	Other assets				77,316		77,316	63,830
	D.1.	Deferred costs			64,743		64,743	63,830
	D.3.	Accrued income			12,573		12,573	

Statement line / Content of the item					Value in the current accounting period	Value in the past accounting period
TOTAL LIABILITIES					6,519,311	6,815,103
A.	Equity				3,794,358	4,597,849
	A.I.	Registered capital			1,087,503	1,087,503
		A.I.1.	Registered capital		1,082,822	1,082,822
		A.I.3.	Changes in registered capital		4,681	4,681
	A.II.	Share premium and capital funds			255,014	244,823
		A.II.1.	Share premium			
		A.II.2.	Capital funds		255,014	244,823
			A.II.2.1.	Other capital funds	248,477	248,477
			A.II.2.2.	Gains or losses from the revaluation of assets and liabilities (+/-)	6,537	-3,654
	A.III.	Funds from profit			4,151,241	4,486,235
		A.III.1.	Other reserve funds			320,000
		A.III.2.	Statutory and other funds		4,151,241	4,166,235
	A.IV.	Retained earnings (+/-)			-900,712	193,795
		A.IV.1.	Accumulated profits brought forward (+/-)		-900,712	193,795
	A.V.	Profit/loss for the current period			-798,688	-1,414,507
B+C	Liabilities				2,724,002	2,216,913
B.	Reserves				14,877	9,872
	B.4.	Other reserves			14,877	9,872
C.	Payables				2,709,125	2,207,041
	C.I.	Long-term payables			2,244,637	1,661,613
		C.I.2.	Payables to credit institutions		1,510,634	919,348
		C.I.4.	Trade payables		31,324	41,765
		C.I.6.	Payables – controlled or controlling entity		500,000	500,000
		C.I.8.	Deferred tax liability		0	147
		C.I.9.	Other payables		202,679	200,353
			C.I.9.2.	Estimated payables	202,679	200,353
	C.II.	Short-term payables			464,488	545,428
		C.II.3.	Short-term advances received		826	3,192
		C.II.4.	Trade payables		164,076	173,932
		C.II.8.	Other payables		299,586	368,304
			C.II.8.3.	Payables to employees	85,581	97,716
			C.II.8.4.	Social security and health insurance payables	34,054	33,143
			C.II.8.5.	State – tax payables and subsidies	35,130	80,807
			C.II.8.6.	Estimated payables	123,474	124,825
			C.II.8.7.	Sundry payables	21,347	31,813
D.	Other liabilities				951	341
	D.2.	Deferred income			951	341

PROFIT AND LOSS STATEMENT

in full (CZK thousands) compiled as at: 31 December 2021

Statement line / Content of the item			Value in the current accounting period	Value in the past accounting period
I.	Sales of products and services		1,866,562	1,679,932
A.	Purchased consumables and services		437,849	473,712
	A.2.	Consumed material and energy	62,694	67,539
	A.3.	Services	375,155	406,173
D.	Personnel costs		1,473,217	1,923,243
	D.1.	Payroll costs	1,108,419	1,445,480
	D.2.	Social security and health insurance costs and other charges	364,798	477,763
		D.2.1. Social security and health insurance costs	337,994	434,570
		D.2.2. Other costs	26,804	43,193
E.	Adjustments to values in operating activities		622,699	628,577
	E.1.	Adjustments to values of intangible and tangible fixed assets	619,527	608,613
		E.1.1. Adjustments to values of intangible and tangible fixed assets – permanent	619,527	613,770
		E.1.2. Adjustments to values of intangible and tangible fixed assets – temporary	0	-5,157
	E.2.	Adjustments to values of inventories	541	-51
	E.3.	Adjustments to values of receivables	2,631	20,015
III.	Other operating income		82,992	72,139
	III.1.	Sales of fixed assets	828	3,538
	III.2.	Sales of material	723	1,076
	III.3.	Sundry operating income	81,441	67,525
F.	Other operating costs		250,471	250,848
	F.1.	Depreciated price of sold fixed assets	22	9,360
	F.2.	Net book value of sold material	7	13
	F.3.	Taxes and charges	3,042	3,201
	F.4.	Reserves relating to operating activities and complex deferred costs	5,005	-649
	F.5.	Sundry operating costs	242,395	238,923
*	OPERATING PROFIT/LOSS (+/-)		-834,682	-1,524,309

Statement line / Content of the item		Value in the current accounting period	Value in the past accounting period
VI.	Interest income and similar income	1,272	1,301
	VI.2. Other interest income and similar income	1,272	1,301
J.	Interest expenses and similar expenses	835	57
	J.2. Other interest expenses and similar expenses	835	57
VII.	Other financial revenues	47,419	89,894
K.	Other financial costs	58,597	122,446
*	FINANCIAL PROFIT/LOSS (+/-)	-10,741	-31,308
**	PROFIT/LOSS BEFORE TAX (+/-)	-845,423	-1,555,617
L.	Income tax	-46,735	-141,110
	L.1. Due income tax	-5,700	915
	L.2. Deferred income tax (+/-)	-41,035	-142,025
**	PROFIT/LOSS NET OF TAX (+/-)	-798,688	-1,414,507
***	PROFIT/LOSS FOR THE CURRENT PERIOD (+/-)	-798,688	-1,414,507
*	NET TURNOVER FOR THE CURRENT PERIOD	1,998,245	1,843,266

CASH FLOW STATEMENT

compiled as at: 31 December 2021 (CZK thousands)

		2021	2020
P.	Opening balance of cash and cash equivalents	912,193	959,885
Z.	Profit/loss before tax – Cash flows from ordinary activities (operating activities)	-845,423	-1,555,617
A.1.	Adjustments for non-cash transactions	623,521	653,824
A.1.1	Depreciation of fixed assets	619,527	613,770
A.1.2	Change in provisions and reserves	8,181	14,158
A.1.3	Profit (loss) on the sale of fixed assets	-806	5,822
A.1.5	Interest expense and interest income	-437	-1,244
A.1.6	Adjustments for other non-cash transactions	-2,944	21,318
A.*	Net operating cash flow before tax, changes in working capital and extraordinary items	-221,902	-901,793
A.2.	Change in working capital	32,626	142,027
A.2.1	Change in operating receivables and other assets	74,454	116,555
A.2.2	Change in operating payables and other liabilities	-42,405	26,661
A.2.3	Change in inventories	577	-1,189
A.**	Net cash flow from operations before tax	-189,276	-759,766
A.3.	Interest paid except for interest included in the valuation of fixed assets (-)	0	-48
A.4.	Interest received (+)	1,272	1,301
A.5.	Income tax paid from ordinary operations	17,138	10,311
A.***	Net operating cash flows	-170,866	-748,202
B.1.	Fixed assets expenditures	-679,556	-701,072
B.2.	Proceeds from fixed assets sold	828	3,538
B.***	Net investment cash flows	-678,728	-697,534
C.1.	Change in long-term or short-term payables	639,000	1,419,348
C.2.	Impact of changes in equity	-12,317	-21,304
C.2.5	Payments from capital funds (-)	-12,317	-21,304
C.***	Net financial cash flows	626,683	1,398,044
F.	Net increase or decrease in cash and cash equivalents	-222,911	-47,692
R.	Closing balance of cash and cash equivalents	689,282	912,193

STATEMENT OF CHANGES IN EQUITY

compiled as at: 31 December 2021 (CZK thousands)

Changes/balances	Registered capital	Other capital contributions	Gains or losses from revaluation of assets and liabilities	Reserve fund	Founder's fund	Development fund	Other funds created from profit	Cumulative profit and loss	Total equity
Balance sheet line	A.I.	A.II.2.1.	A.II.2.2.	A.III.1.	A.III.2. (part)	A.III.2. (part)	A.III.2. (part)	A.IV.1. + A.V.	A.
Balances as at 1 January 2020	1,087,503	248,477	33,310	320,000	0	3,959,400	149,190	275,783	6,073,663
Revaluation of equity investment for 2020			-59,684						-59,684
Allocation to funds from available profit of 2019							81,988	-81,988	0
Use of resources of funds created from profit in 2020							-24,343		-24,343
Revaluation of long-term foreign-currency credit – hedge			28,049						28,049
Deferred tax posted to 414			-5,329						-5,329
Profit/loss for 2020								-1,414,507	-1,414,507
Balance as at 31 December 2020	1,087,503	248,477	-3,654	320,000	0	3,959,400	206,835	-1,220,712	4,597,849
Revaluation of equity investment for 2021			-28,458						-28,458
Distribution of profit/loss from 2020				-320,000				320,000	0
Use of resources of funds created from profit in 2021							-14,994		-14,994
Revaluation of long-term foreign-currency credit – hedge			47,714						47,714
Deferred tax posted to 414			-9,065						-9,065
Profit/loss for 2021								-798,688	-798,688
Balance as at 31 December 2021	1,087,503	248,477	6,537	0	0	3,959,400	191,841	-1,699,400	3,794,358

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1 GENERAL INFORMATION

1.1 BASIC BUSINESS IDENTIFICATION

Entity name:	Air Navigation Services of the Czech Republic
Legal form:	State-owned company
Abbreviated name:	ANS CR
Date of establishment:	ANS CR was established by Decision of the Minister of Transport dated 28 December 1994 No. 4283/1994-KM on 1 January 1995. This Decision transferred all assets that had been handled by the semi-budgetary organisation, ANS CR, until 31 December 1994, including all its rights and obligations, to the state-owned company. The state-owned company is registered in the Commercial Register maintained by the Municipal Court in Prague, Section A, File 10771.
Headquarters:	Navigační 787, Postal Code 252 61 Jeneč
Identification No.:	49710371
Main objects of business activities:	Air navigation services, including terminal navigation services, in the airspace of the Czech Republic and at airports Praha-Ruzyně, Brno-Tuřany, Ostrava-Mošnov, and Karlovy Vary
Registered capital:	1,087,503,000 CZK

1.2 DESCRIPTION OF THE COMPANY

Air Navigation Services of the Czech Republic is a state-owned company. The position and legal status of the state-owned company are governed by Act No. 77/1997 Coll. The founder of the company is the state. The Ministry of Transport, whose responsibility includes the core business of the company, acts in the name of the founder.

The attached Financial Statements have been prepared as independent on behalf of ANS CR. The Consolidated Financial Statements will be prepared for the whole group (subsidiary Czech Aviation Training Centre, s.r.o.) by the parent company, ANS CR, in accordance with the national accounting standards and will be published in the Commercial Register as part of the ANS CR Annual Report.

The company has no organisational units abroad.

1.3 CHANGES AND AMENDMENTS TO THE COMMERCIAL REGISTER DURING THE LAST ACCOUNTING PERIOD

There were no changes or amendments to the record in the Commercial Register in 2021.

1.4 GOVERNING AND SUPERVISORY AUTHORITIES OF THE COMPANY AS OF 31 DECEMBER 2021

Company Management – Statutory Authorities	
Director General:	Mr. Jan Klas
First Deputy Director General:	Mr. Petr Fajtl
Second Deputy Director General:	Mr. Radovan Okenka, M.Sc.

Supervisory Board	
Chairman:	Mrs. Magdalena Faltýsková
Deputy Chairman:	Mr. Zdeněk Jelínek
Deputy Chairman:	Major General Mr. Petr Hromek
	Mr. Aleš Kořínek
	Mr. Stanislav Pleninger, Ph.D.
	Mr. Vít Soukup

Pursuant to the provisions of Section 44c(1c) of Act No. 93/2009 Coll., on Auditors, as amended, ANS CR has the legal obligation to establish an Audit Committee. The Committee has three members appointed by the governing body of ANS CR on the recommendation of the Supervisory Board dated 9 December 2021.

Audit Committee	
Chairman:	Mr. Ivan Hayek
Deputy Chairman:	Mrs. Eva Dekastellová
Member:	Mrs. Eva Ondřichová

2 BASICS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The enclosed (unconsolidated) Financial Statements have been prepared in accordance with Act No. 563/1991 Coll., on Accounting, as amended (hereinafter the "Accounting Act"), and with Implementing Decree No. 500/2002 Coll. implementing certain provisions of Act No. 563/1991 Coll., on Accounting, as amended, applicable to accounting units that are businesses maintaining double-entry accounting records, as amended, as applicable for 2021 and 2020 (hereinafter the "Implementing Decree for the Accounting Act") and the Czech Accounting Standards for Entrepreneurs.

For the purposes of reporting, valuation and publishing of information on derivatives in the Annex to the Financial Statements and on related transactions, the provisions of Decree No. 501/2002 Coll., implementing certain provisions of Act No. 563/1991 Coll., on Accounting, as amended, were applied to accounting entities that are banks and other financial institutions, as amended on 31 December 2017. The accounting respects general accounting principles, including assumption of the entity's ability to continue in its activities.

3 GENERAL ACCOUNTING PRINCIPLES, ACCOUNTING METHODS AND THEIR AMENDMENTS AND VARIANCES

The valuation methods applied by the company in preparing of the Financial Statements for 2021 and 2020 are as follows:

3.1 INTANGIBLE FIXED ASSETS

Intangible fixed assets (IFA) are assets valued at more than 60K CZK on an individual basis with an estimated useful life of more than one year while respecting the principle of significance and of a true and fair view of the asset. Intangible fixed assets are valued at acquisition cost, which includes the purchase price and related costs. Interest and other financial costs related to the acquisition of the fixed asset are also included in its valuation.

Costs of technical valuation of intangible fixed assets increase their acquisition value. Repairs and maintenance are accounted for as costs.

Intangible assets not considered fixed are accounted for in costs as services at the time of their procurement. Projects and studies that are not intangible fixed assets where the price is more than 60K CZK (without VAT) are accrued for a period of five years.

Book depreciations are calculated on the basis of the acquisition cost and estimated service life of the assets. Based on the recommendations of the document "Principles for Establishing the Cost Base for Route Facility Charges and the Calculation of the Unit Rates", depreciation is calculated on a straight-line basis using the linear method.

Estimated lifetime for the defined groups of IFA in years:

Software	4–10 years
Other IFA (audiovisual works, projects, studies, trademarks, development results)	3–6 years

Allowances for fixed assets are created on the basis of asset stocktaking if there are reasons detected for decreasing the book value of assets.

3.2 TANGIBLE FIXED ASSETS

Tangible fixed assets (TFA) are assets valued at more than 40K CZK on an individual basis with an estimated useful life of more than one year while respecting the principle of significance and of a true and fair view of the asset. Tangible fixed assets are valued at acquisition costs, including the acquisition prices, transportation costs, customs, and other costs associated with the acquisition. Until the acquired asset is put into use, interest and other financial costs related to the acquisition of the fixed asset are also capitalised in the acquisition cost of the asset. Tangible fixed assets acquired by delimitation are valued at replacement cost and posted to other capital funds.

Small tangible fixed assets, specifically computer equipment and furniture with an acquisition price between 3,000K CZK and 40,000K CZK, are depreciated for a period of 4 and 10 years, respectively. Other small tangible fixed assets with an acquisition price between 1,000K CZK and 40,000K CZK are posted to account 501 and recorded on off-balance sheet account 796.

Valuation at replacement cost is also calculated for assets recently identified in the bookkeeping and requiring a corresponding entry in the relevant accumulated account for allowances. The replacement cost of such assets is determined by professional estimation.

Where the summarised technical evaluation for an individual tangible fixed asset exceeds 40K CZK for the tax period, the acquisition cost of that asset increases.

The value of a given tangible fixed asset will be decreased by relevant subsidies provided for acquisition of the asset.

Book depreciations are calculated on the basis of the acquisition cost and estimated service life of the assets. Based on the recommendations of the "Principles for Establishing the Cost Base for Route Facility Charges and the Calculation of the Unit Rates" document, depreciation is calculated on a straight-line basis using the linear method.

Estimated lifetime for the defined groups of TFA in years:	
Lands	Not depreciated
Buildings and structures	30–50 years
Machinery and equipment	4–15 years
of which – electronic and communications equipment	4–10 years
of which – energy and other equipment	7–15 years
Masts, towers constructions, lines	20 years
Transport equipment	5–20 years
of which – cars	5 years
of which – aircraft	10–20 years
Inventory	3–10 years
of which – furniture	10 years
of which – office equipment, computer equipment and accessories	3–10 years

Tax depreciation is carried out in accordance with Section 31 (Section 32) of Act No. 586/1992 Coll., on Income Tax, as amended. The company applies linear depreciation for purposes of calculating income tax.

Allowances for fixed assets are created on the basis of asset stocktaking if there are reasons detected for decreasing the book value of assets.

3.3 FINANCIAL ASSETS

Long-term financial assets are comprised of shares valued at acquisition cost.

As at 31 December, individual financial assets will be revalued as follows:

- Trading securities are valued at fair value while the change in fair value is accounted for either as costs or revenues.
- Available-for-sale securities (excluding fixed-interest bonds) and shares representing minority interests are valued at fair value while the change in fair value is accounted for in equity as gains or losses from revaluation of assets and liabilities.
- Equity holdings representing stakes in a controlled entity or in an entity under substantial influence are valued in equivalence while revaluation is accounted for in equity as gains or losses from revaluation of assets and liabilities.

Fair value is the market value that is declared on a domestic or foreign stock exchange, or valuation by a qualified estimate or expert opinion if market value is not available.

The equivalence method is the acquisition cost of participation adjusted to a value equivalent to the degree of the company's equity participation.

3.4 CASH

Funds consist of security printed items, cash on hand and on bank accounts.

3.5 INVENTORIES

Valuation – purchased inventories at acquisition cost using the weighted arithmetic mean method upon stock removal. The acquisition cost of stocks includes costs for their acquisition, including costs related thereto (costs for transport, customs, etc.)

Provisions for obsolete inventories or otherwise temporarily impaired inventories would be created as part of stocktaking on the basis of an individual stock assessment.

3.6 RECEIVABLES

Receivables are valued at their nominal value when created. The valuation of doubtful receivables is reduced by means of provisions for the costs of their expected realisation value.

The company creates statutory provisions in compliance with the Act on Reserves. In addition, accounting provisions are created in relation to the time structure of receivables as follows:

- Provisions for receivables more than one year after due date at 100%
- Provisions for receivables more than 185–365 days after due date at 50%

In the accounting period, the company created provisions for receivables on the basis of stocktaking as at 31 December 2021 according to the age of the receivable and risk assessment.

Estimated receivables are valued on the basis of expert estimates and calculations.

3.7 LOANS

Short-term and long-term loans are posted in their nominal value. Certain long-term loans whose repayment date falls no later than one year from the date of the Financial Statements are also considered short-term loans. Any respective passive balance on the current account is reported in the Balance Sheet also as a short-term bank loan.

3.8 RESERVES

The company creates reserves for losses and risks in cases where the title, amount and date of performance can be determined with a high degree of probability, while respecting the factual and temporal context, and a reserve for unused holiday and payable tax.

3.9 CONVERSION OF DATA IN FOREIGN CURRENCIES INTO CZECH CURRENCY

For the valuation of assets and liabilities (debts) at the time of a transaction, the company uses the daily exchange rate announced by CNB during the previous working day pursuant to Section 24 of the Accounting Act.

At the time of compiling the Financial Statements for 2021, the receivables, payables, and shares in commercial companies, securities and derivatives, security printed items and currency values (financial assets) denominated in a foreign currency were converted using the exchange rate announced by CNB and valid on 31 December 2021.

Both realised and unrealised exchange rate gains and losses are accounted for in financial revenues or financial costs of the current year, except for the part meeting the conditions for hedging effectiveness that is posted in accounting group 41.

3.10 DERIVATIVES

Derivatives are initially valued at acquisition cost.

Derivatives are reported as part of other short-term/long-term receivables or payables in the attached Balance Sheet.

Derivatives are broken down into trading derivatives and hedging derivatives. Hedging derivatives are negotiated for the purpose of fair value hedging or cash flow securing. For a derivative to be classified as hedging, changes in fair value or changes in cash flows arising from hedging derivatives must offset, in whole or in part, changes in the fair value of the hedged item or changes in cash flows arising from the hedged item and the company must document and demonstrate the existence of the hedging relationship and high effectiveness of hedging. In other cases, derivatives are intended for trading.

As at the balance sheet date, the derivatives are valued at their fair value. Changes in the fair value of derivatives intended for trading are accounted for in financial costs or revenues. Changes in the fair value of derivatives that are classified as fair value hedging are also accounted for in financial costs and/or revenues, together with the relevant change in the fair value of the hedged asset or liability that is related to the hedged risk. Changes in the fair value of derivatives classified as cash flow hedging are accounted for in equity and are recorded in the Balance Sheet as gains or losses from revaluation of assets and liabilities. Ineffective part of hedging is posted directly to financial costs or revenues.

3.11 LEASE

The company accounts for leased assets by including lease instalments in costs. No assets were acquired through financial lease.

3.12 EQUITY

The registered capital of the company is reported at the amount recorded in the Commercial Register of the Municipal Court. Investments exceeding the registered capital are reported as other capital funds, which consist of non-monetary investments in excess of the registered capital.

In compliance with Act No. 77/1997 Coll., as amended, the company has created an obligatory reserve fund, a fund for cultural and social needs as well as founder's fund. Creating these funds and drawing on them is governed by the State-owned Enterprise Act, or Decree No. 114/2002 Coll. Besides these funds, the company can create under the same Act additional funds from available profit. In case of ANS CR, this involves a development fund and a fund for other social spending. The development fund serves as a source of financing for developing and supporting the company's investments. The fund for other social spending serves as a source of financing of benefits granted to employees under collective agreements, which are not regulated by Decree No. 114/2002 Coll.

3.13 TAX, INCOME TAX

Income tax costs are calculated using the statutory tax rate from the accounting profit increased or decreased by permanently or temporarily non-deductible costs and non-taxable revenues (e.g. creating and posting other provisions and allowances, entertainment costs, differences between book and tax depreciation, etc.). Additionally, items reducing the tax base (donations), deductions (tax losses, costs of research and development projects) and discounts on income tax are taken into account. Should the Financial Statements precede the final calculation of income tax, the entity creates an income tax provision.

Deferred tax – Deferred tax is calculated using the liability method, which means that the deferred tax will be applied at a later stage and therefore the income tax rate applicable in the period in which this tax is applied, is used in the calculation. If this rate is unknown, the tax rate applicable for the following reporting period is used. Temporary differences resulting in a deferred tax asset or liability (debt) are assessed in the company in a broader context where a deferred tax liability (debt) is always posted, but a deferred tax asset only with respect to the precautionary principle, which means after assessing its applicability.

Deferred tax is calculated from temporary differences between the tax and accounting base of assets and liabilities. These are, in particular, the following differences:

- Differences between the book and tax carrying value of fixed assets (a book carrying value higher than the tax carrying value creates a deferred tax liability, and in the opposite case a deferred tax asset)
- Difference between tax and book allowances (a deferred tax asset is created if tax allowances are lower than book allowances and the tax allowances are expected to create up to 100% of the value of receivables)
- Provisions for inventories and fixed assets
- Provisions for unused holiday
- Receivables under contractual penalties
- Tax loss which the company assumes to offset against future profits – a deferred tax receivable is created

3.14 USE OF ESTIMATES

The compilation of the Financial Statements requires company management to make estimates and assumptions that affect the reported amounts of assets and liabilities (debts) as at the balance sheet date and the reported amounts of revenues and costs during the reporting period. Company management has made these estimates and assumptions on the basis of all the relevant information available. Nevertheless, given the nature of estimates, the actual results in the future may differ from these estimates.

3.15 COSTS AND REVENUES ACCOUNTING

Revenues and costs are billed on the accrual basis, i.e. in the period they relate to.

3.16 SUBSIDIES

Subsidy is accounted for at the time of its reception or unquestionable entitlement to its reception. Subsidy received to cover operating costs is accounted for in other operating income. Subsidy received for the acquisition of fixed assets, including technical valuation, and for the payment of interest included in the acquisition cost of assets, reduces the acquisition cost or the costs of acquisition as such.

3.17 SUBSEQUENT EVENTS

The impact of events that occurred between the balance sheet date and the date of compiling the Financial Statements is reflected in the accounting reports if these events provide additional information about facts that existed as at the balance sheet date. Where important events occurred between the balance sheet date and the date of compiling the Financial Statements which take into account facts that occurred after the balance sheet date, the effects of these events are described in an Annex to the Financial Statements, but are not recorded in the Financial Statements.

3.18 CHANGES IN VALUATION, DEPRECIATION AND ACCOUNTING METHODS COMPARED TO THE PREVIOUS ACCOUNTING PERIOD

No changes occurred during fiscal year 2021 in the valuation, depreciation and accounting methods used compared to the previous accounting period.

4 ADDITIONAL INFORMATION ON THE BALANCE SHEET AND PROFIT & LOSS STATEMENT

4.1 FIXED ASSETS

4.1.1 Intangible fixed assets (IFA)

2021 (CZK thousands)	Software	Other IFA	Total
ACQUISITION COST (AC)			
Balance as at 01/01/2021	3,799,550	135,657	3,935,207
Additions	81,402	3,700	85,102
Disposals	66,247	0	66,247
Balance as at 31/12/2021	3,814,705	139,357	3,954,062
ACCUMULATED DEPRECIATION			
Balance as at 01/01/2021	3,023,429	105,184	3,128,613
Depreciation 2021	288,535	10,977	299,512
Disposals	66,247	0	66,247
Transfers	2,211	0	2,211
Balance as at 31/12/2021	3,247,928	116,161	3,364,089
DEPRECIATED PRICE 2021 (DP)	566,777	23,196	589,973
DEPRECIATED PRICE 2020 (DP)	776,121	30,473	806,594

Significant items of intangible fixed assets

Item	Year of acquisition	AC (in CZK thousand)	DP 2021 (in CZK thousand)
ESUP IATCC system	2007	786,211	169,662
IDP system for IATCC	2007	600,320	133,363

The most significant additions to intangible assets in 2021 included the technical evaluation of air traffic control systems – IDP and ESUP, acquisition of SW Innova for A-SMGCS in the amount of 46,140K CZK.

Depreciation of intangible fixed assets posted in costs amounted to 299,512K CZK in 2021, while in 2020, an amount of 278,575K CZK was posted in costs.

Intangible fixed assets in progress – As at 31 December 2021, the total volume of company's intangible fixed assets in progress amounted to 1,248,779K CZK, while in 2020, it equalled 944,411K CZK. Intangible fixed assets in progress include especially ongoing investments in a new system for air traffic control TopSky and valuation of existing systems IDP – WALDO and ESUP. The operational transition to the TopSky system was completed as at 4 March 2022 and the system was put into operation.

4.1.2 Tangible fixed assets (TFA)

2021 (CZK thousands)	Lands and buildings	Machinery and equipment	Means of transport	Furniture and fixtures	Other TFA	Total
ACQUISITION COST (AC)						
Balance as at 01/01/2021	3,054,078	3,658,926	559,929	203,373	166,239	7,642,545
Additions	3,930	87,522	0	6,864	8,325	106,641
Disposals	752	209,209	0	1,529	3,981	215,471
Balance as at 31/12/2021	3,057,256	3,537,239	559,929	208,708	170,583	7,533,715
ACCUMULATED DEPRECIATION						
Balance as at 01/01/2021	1,460,395	2,640,243	169,844	188,533	146,418	4,605,433
Depreciation 2021	80,683	192,751	36,076	1,584	8,921	320,015
DP of disposed TFA 2021	22	0	0	0	0	22
Movements of assets	752	208,103	0	1,529	3,973	214,357
Balance as at 31/12/2021	1,540,348	2,624,891	205,920	188,588	151,366	4,711,113
Balance as at 31/12/2020	1 460,395	2,640,243	169,844	188,533	146,418	4,605,433
DEPRECIATED PRICE 2021 (DP)	1,516,908	912,348	354,009	20,120	19,217	2,822,602
DEPRECIATED PRICE 2020 (DP)	1,593,683	1,018,683	390,085	14,840	19,821	3,037,112

Significant items of tangible assets

Item	Year of acquisition	AC (in CZK thousand)	DP 2021 (in CZK thousand)
IATCC building, Jeneč	2005	935,109	508,158
Technical Block building, Prague airport	1992	526,026	269,212
L410 simulator	2018	246,911	187,765
Calibration aircraft B300 OK-ANS	2019	193,470	166,062
Calibration aircraft B300 OK-RLP	2020	192,039	175,236

The most significant increase in tangible assets in 2021 was the renewal of the technologies necessary for ensuring operation in connection with the TopSky project, including air traffic control centres worth 86,308K CZK.

The most significant decline in tangible assets was the disposal of technology and air traffic control centres due to their renewal.

Depreciation of tangible fixed assets posted in costs in 2021 amounted to 320,015K CZK (335,105K CZK in 2020).

Off-balance sheet small tangible assets totalled 79,049K CZK as at 31 December 2021, and 80,135K CZK as at 31 December 2020.

Tangible fixed assets under construction – As at 31 December 2021, the total volume of company's tangible fixed assets under construction amounted to 208,871K CZK, while in 2020, it equalled 58,810K CZK. It was mainly hardware for the TopSky project and related reconstruction of the IATCC operations halls.

4.1.3 Specified assets of the company

In accordance with the provisions of Act No. 77/1997 Coll., on State Enterprise, special asset items are recorded in the bookkeeping – specified assets. These are assets that are indispensable to the entity in terms of carrying out the activities for which the entity (company) was established. These assets are registered in the Commercial Register. The company may handle specified assets only with the approval of the founder. The following specified assets were therefore on the books of the company as at 31 December 2021:

NAME OF SPECIFIED ASSETS	Inventory number	Acquisition cost
IATCC Prague building	2016743	935,109
Operations building of the Technical Block at Prague airport	51062	526,026
Operations building with control tower at Ostrava Mošnov	2021876	114,216
Operations building with control tower at Karlovy Vary	54004	103,889
Operations building with control tower at Brno Tuřany	52012	98,123
Operations building at Prague South	51150	61,117
Operations building at Buchtův Hill	52011	40,170
Land under the building of the Technical Block at LKPR	2563	1,349
Land under the operations building with LKMT TWR	648	337
Land under the operations building with LKKV TWR	3882	261
Land under the operations building with LKTB TWR	2258	122
Land under the IATCC Prague building	569	45
Land under the operations building at Prague South	34890	2
Land under the operations building at Buchtův Hill	130	2
TOTAL ACQUISITION COST OF SPECIFIED ASSETS AS AT 31 DECEMBER 2021 (in CZK thousand)		1,880,768
TOTAL DEPRECIATED PRICE OF SPECIFIED ASSETS AS AT 31 DECEMBER 2020 (in CZK thousand)		1,018,677

4.1.4 Assets under financial and operating leases

The company has no fixed assets leased under financial leases. The company hires passenger and utility cars under operating lease. In 2021, 8,309K CZK was paid for operating leases, in 2020, such costs amounted to 11,769K CZK.

4.2 NON-CURRENT FINANCIAL ASSETS

Since 2012, the company has a 100% stake in the subsidiary Czech Aviation Training Centre, s.r.o. (CATC), with its registered office at K letišti 934, Ruzyně, 16100 Prague 6. The acquisition price of the stake amounts to CZK 280 million and is based on an opinion prepared for sale by a certified independent expert.

The equity of CATC, s.r.o. reached 225,902K CZK as at 31 December 2021, and the company's financial results for the accounting period of 2021 ended in a loss of 27,939K CZK.

Negotiations are currently being conducted with a party interested in buying the 100% stake in this subsidiary; the result has not been decided as at the date of compilation of the Financial Statements.

SHARES IN CONTROLLED AND MANAGED ENTITIES	Book value in CZK thousand as at 31 December (revaluation by equivalence)			
	2020	Movements	Revaluation	2021
Czech Aviation Training Centre, s.r.o.	254,340	0	- 28,437	225,903

Based on a public notarial deed dated 17 October 2014, FAB CE, Aviation Services, Ltd., was established with its registered office at Zgornji Brnik 130N, SI-4210 Brnik, Slovenia. Stakeholders in the company are providers of air navigation services from the Czech Republic, Slovakia, Austria, Hungary, Slovenia and Croatia, which are associated in the Central European functional airspace "FAB CE". The aim of the established company is to coordinate the actions of stakeholders in meeting the EU objectives under the Single European Sky (SES) policy. ANS CR holds a 1/6 stake in this service company.

OTHER LONG-TERM SECURITIES AND OWNERSHIP INTERESTS	Book value in CZK thousand as at 31 December			
	2020	Movements	Revaluation	2021
FAB CE, Aviation Services, Ltd.	391	0	-19	372

The company held no other long-term financial assets in 2021. Likewise, in 2021, the company had no records of long-term financial assets encumbered with the right of lien.

4.3 INVENTORIES

As at 31 December 2021, the inventories totalled 20,439K CZK, and as at 31 December 2020, amounted to 21,016K CZK. Spare parts for security aviation technology and calibration aircraft form a major volume of inventories. Provisions for inventories amount to 7,867K CZK. These are mainly provisions for spare parts for L410 aircraft intended for sale.

4.4 RECEIVABLES

4.4.1 Trade receivables

TOTAL TRADE RECEIVABLES	Book value in CZK thousand as at 31 December		
	Gross	Provisions	Net
2020 trade receivables	484,371	45,533	440,838
2021 trade receivables			
Due receivables or receivables up to 30 days after due date	377,088	0	377,088
Receivables 31–180 days after due date	5,122	283	4,839
Receivables 181–365 days after due date	5,491	4,193	1,228
Receivables more than one year after due date	42,069	42,069	0
TOTAL	429,770	46,545	383,225

4.4.2 State – tax receivables and receivables from social security and health insurance institutions

In 2021, the company had records of tax receivables from the state in the amount of 28,493K CZK, the largest amount being receivables based on surplus VAT deductions. The company records no receivables from social security and health insurance institutions.

4.4.3 Estimated receivables

Estimated receivables include, in particular, revenues from flight test services pertaining factually and temporally to 2021.

4.4.4 Sundry receivables

As at 31 December 2021, the total volume of other receivables amounted to 200,093K CZK. These particularly include receivables from grants to SESAR projects in the amount of 190,605K CZK. The amount of the receivable corresponds to the company's claims arising from participation, in particular, in the projects SESAR H 2020 and SESAR Deployment, while maintaining the given budgets for each project. The amount of these claims was adjusted in 2021 so as to be in line with the expected drawdown on the said subsidies. The amount of receivables has been reduced by the amount of received partial payments for projects.

4.5 CASH

CASH (CZK thousands)	2021	2020
Cash on hand	1,217	1,493
Cash at bank	688,065	910,700
TOTAL CASH	689,282	912,193

4.6 ACCRUALS OF ASSETS

ACCRUALS OF ASSETS (CZK thousands)	2021	2020
Deferred costs	64,743	63,830
Accrued income	12,573	0
ACCRUALS OF ASSETS	77,316	63,830

Deferred costs include mainly insurance payments, SW support, and accrued charges for EUROCONTROL. Accrued income consists especially of acknowledged claims for indemnity under accident insurance for Cessna aircraft.

4.7 EQUITY

4.7.1 Changes in equity

A summary of changes in equity is reported in a separate statement. Changes in equity occurred in 2021 only in connection with settling of profit/loss, drawing on funds from profit, and revaluation of equity holdings.

4.7.2 Registered capital

There were no changes in registered capital in 2021.

4.7.3 Equity items – funds from profit

In compliance with Act No. 77/1997 Coll., as amended, the company has created obligatory funds, i.e. a reserve fund, a fund for cultural and social needs as well as founder's fund. Besides these funds, the company can create under the same Act additional funds from available profit. In case of ANS CR, this involves a development fund and a fund for other social spending. On the basis of the annual Financial Statements for 2020 approved by the founder, no allocations to the funds were made due to the sustained loss. The balance of the funds as at 31 December 2021 is as follows:

- The balance of the reserve fund in the amount of 320,000K CZK was used to partially settle the company's loss in 2020; afterwards, the reserve fund balance equals zero.
- No allocation has been made to the fund for cultural and social needs from the profit/loss of 2020, and the fund was only used for obligatory expenses. The balance of the fund as at 31 December 2021 was thus 63,409K CZK.
- No allocation has been made to the fund for other social spending and the balance of the fund as at 31 December 2021 thus was 10,156K CZK.
- The balance of the development fund as at 31 December 2021 equalled 3,959,400K CZK.
- The balance of the bonus fund as at 31 December 2021 amounted to 118,276K CZK.

4.7.4 Settlement of profit/loss in 2020

On the basis of the Financial Statements for 2020, the loss of 2020 amounted to 1,414,507K CZK (the financial result before due and deferred tax was a loss of 1,555,617K CZK). On the basis of the annual Financial Statements for 2020 approved by the founder, after clearing of the reserve fund in the amount of 320,000K CZK, the remaining loss was transferred to the accounts of retained earnings from previous years.

4.7.5 Proposal for 2021 loss recovery

On the basis of the Financial Statements for 2021, the loss of 2021 amounted to 798,688K CZK (the financial result before due and deferred tax was a loss of 845,423K CZK). The Supervisory Board and the founder will be proposed to transfer the loss to the account of accumulated losses from previous years.

4.8 RESERVES

In 2021, a reserve was created for holiday unused in 2021 in the amount of 14,877K CZK, and a reserve for holiday unused in 2020 was accounted for in the amount of 9,872K CZK. The company did not create any other provisions in 2021.

4.9 PAYABLES

4.9.1 Trade payables

TRADE PAYABLES (CZK thousands)	2021	2020
LONG-TERM TRADE PAYABLES		
Long-term trade payables	31,324	41,765
SHORT-TERM TRADE PAYABLES		
Suppliers within the due date	163,800	172,578
Suppliers overdue	70	74
Other payables	206	1,280
TOTAL TRADE PAYABLES	195,400	215,697

4.9.2 Payables – controlled or controlling entity

As at 31 December 2021, the company has a payable to the founder – Ministry of Transport – in the form of refundable borrowing amounting to 500 million CZK. This borrowing was provided to ensure the provision of air navigation services, including terminal navigation services, in the airspace of the Czech Republic in 2020 and will be paid in annual instalments of 100 million CZK starting from 30 September 2027.

4.9.3 Payables to the state and social security and health insurance institutions

PAYABLES TO SOCIAL SECURITY AND HEALTH INSURANCE INSTITUTIONS (CZK thousands)	2021		2020	
	Total	- due	Total	- due
SOCIAL SECURITY AND HEALTH INSURANCE				
Social security costs	18,939	0	18,041	0
Health insurance costs	15,115	0	15,102	0
Total social security and health insurance	34,054	0	33,143	0

PAYABLES TO THE STATE (CZK thousands)	2021		2020	
	Total	- due	Total	- due
TAX PAYABLES				
Income tax on dependent activities	15,647	0	23,209	0
Corporate income tax	0	0	0	0
Value added tax	0	0	0	0
Other tax	6	0	5	0
Total tax payables	15,653	0	23,214	0
TOTAL PAYABLES TO THE STATE AND SOCIAL SECURITY AND HEALTH INSURANCE INSTITUTIONS	49,707	0	56,357	0

The payables to social security and health insurance institutions as at 31 December 2021 consist of statutory contributions resulting from the payment of wages for December 2021 and are therefore payables within the due date. Also, payable income tax on dependent activities is related to the payment of wages for December 2021.

Balances of account 346 are reported in balance sheet item C.II.2.8.5 – Clearing of subsidies that are accounted for the benefit of other operating income – or as a reduction in the purchase price of the subsidised property in factual and temporal relation. As at 31 December 2021, the aggregate balance of these accounts amounted to 19,476K CZK.

4.9.4 Advances received

ADVANCES RECEIVED (CZK thousands)	2021	2020
Long-term advances received	0	0
Short-term advances received	826	3,192
TOTAL ADVANCES RECEIVED	826	3,192

4.9.5 Estimated payables

The most significant part of estimated payables is comprised of estimated payables for bonuses in 2020 and 2021 resulting from collective agreements and, where applicable, employment contracts with employees, which, in view of the financial situation of the company, were not paid by the end of 2021 and are expected to be paid gradually in the upcoming years. They are thus divided into long-term and short-term payables according to the expected maturity.

Furthermore, these are estimated payables for ordinary operating costs of 2021, where invoices for such services were not received in 2021. These are namely estimated payables for energy consumption, system and equipment maintenance servicing, data and telecommunication services, and facility security.

In addition to personnel costs, long-term estimated payables are created for the state supervision services provided by CAA, where at the time of preparation of the Financial Statements, an agreement on maturity and the total amount of payments for these services was reached. These estimated payables are recognised as long-term as per the agreed maturity.

4.9.6 Payables to employees and other payables

Payables to employees recorded as at 31 December 2021 ensue from the employees' entitlement to payment of wages for December 2021, which is performed in January of the next year; therefore, it is a payable within the due date. Other payables include, in particular, clearing of pension and life insurance for employees.

Payables to employees due to bonuses in 2021 resulting from collective agreements and employment contracts with employees which were not paid in 2021 are recorded in the Financial Statements for 2021 as estimated payables.

4.10 BANK LOANS

LONG-TERM BANK LOANS (CZK thousands)	Credit line	Monthly principal instalments	Paid-up principle as at 31 December 2021	Balance as at 31 December 2021	2021 interest expense	Interest rate	Loan maturity as at
KB a.s., investment credit in EUR	35,300	739	0	34,871		0.52% p.a.	IV 27
Equivalent in CZK	877,558		0	866,890	144		
ČSOB a.s., investment credit in CZK	344,000	*	0	335,457	400	0,90 % p.a.	IV. 27
ČSOB a.s., investment credit in EUR	12,560	*	0	12,401		0.42% p.a.	IV 27
Equivalent in CZK	312,242		0	308,287	291		
TOTAL LOANS in CZK	1,533,800		0	1,510,634	835		

* It will be calculated within 10 days after the end of the drawdown period.

PRINCIPAL INSTALMENTS IN YEARS (CZK thousands)*	2023	2024	2025	2026	2027	TOTAL
KB a.s., investment credit in EUR	5,767	8,650	8,650	8,650	2,883	34,600
Equivalent in CZK	143,359	215,039	215,039	215,039	71,680	860,156
ČSOB a.s., investment credit in CZK	49,894	85,532	85,532	85,532	28,511	335,000
ČSOB a.s., investment credit	1,847	3,166	3,166	3,166	1,055	12,400
Equivalent in CZK	45,912	78,706	78,706	78,706	26,235	308,264
TOTAL LOANS in CZK	239,165	379,277	379,277	379,277	126,426	1,503,420

* Principal instalments are calculated from credit line amounts without capitalisation of interest into the principal. The actual amount of instalments will be adjusted following the amount of interest increasing the principal of the loan.

Interest capitalised at purchase price of fixed assets amounted to 6,874K CZK in 2021.

Due to the fact that the foreign currency loan from KB a.s. has been granted for the acquisition of an air traffic control system, where revenues from the provision of these services are mostly generated in EUR, the hedge accounting has been used in connection with this loan to ensure future cash flows with a regular evaluation of hedge effectiveness. The exchange rate differences from loan revaluation were thus posted through valuation differences in equity.

4.11 ACCRUALS OF LIABILITIES

ACCRUALS OF LIABILITIES (CZK thousands)	2021	2020
Deferred income	951	341
TOTAL ACCRUALS OF LIABILITIES	951	341

4.12 DERIVATIVES

As at 31 December 2021, the company had a forward to secure the receivable for flight services billed by EUROCONTROL for November 2021. The forward was settled in January 2022 following the maturity of the given receivables.

Gains and losses realised from the revaluation of derivatives at fair value have been accounted for in profit/loss of the current period. The positive fair value of the derivative as at 31 December 2021 is reported in other receivables.

The following table gives an overview of nominal amounts and positive and negative fair values of open derivatives as at 31 December 2021:

DERIVATIVES (CZK thousands)	2021		2020	
	Fair value		Fair value	
	Positive	Negative	Positive	Negative
Forwards	2,597	0	0	-2,569

4.13 INCOME TAX

INCOME TAX (CZK thousands)	2021	2020
Due income tax	-5,700	915
Deferred tax	-41,035	-142,025
TOTAL TAX COSTS	-46,735	-141,110

4.14 DEFERRED TAX

Deferred tax is based on temporary differences between the tax and accounting value of assets and liabilities. Deferred tax for 2021 was calculated using the 19% income tax rate for 2022. For details see the table:

DEFERRED TAX – calculation (CZK thousands)	2021	2020
DP of fixed assets (TDP - ADP)	-15,714	-79,082
Adjustments to fixed assets	0	0
Adjustments to receivables	2,360	4,848
Adjustment to inventories	1,495	1,391
Receivables based on contractual penalties	-21	-578
Accounting provisions	2,827	1,875
Estimated payables for bonuses	17,271	19,729
Applicable tax loss	38,000	57,000
Deferred tax from revaluation to equity	-14,395	-5,330
NET DEFERRED TAX	31,823	-147

4.15 SALES OF OWN GOODS, PRODUCTS AND SERVICES

Revenue item (CZK thousands)	Revenues from domestic customers		Revenues from foreign customers		Total revenues	
	2021	2020	2021	2020	2021	2020
Air navigation services	115,043	80,025	1,615,339	1,425,977	1,730,382	1,506,002
Of which – en-route navigation services	37,350	27,215	1,445,964	1,268,761	1,483,314	1,295,976
– terminal navigation services	75,910	51,425	169,004	156,627	244,914	208,052
– training flights	1,783	1,385	371	589	2,154	1,974
Other revenues	96,001	80,759	40,179	93,171	136,180	173,930
TOTAL SALES	211,044	160,784	1,655,518	1,519,148	1,866,562	1,679,932

5 EMPLOYEES, COMPANY MANAGEMENT AND GOVERNING BODY

The average number of employees and managers as well as personnel costs for the accounting periods 2021 and 2020 are as follows:

(CZK thousands)	Employees		Company management		Total	
	2021	2020	2021	2020	2021	2020
Number (FTE)	924	1,000	12 + 7	18 + 7	936 + 7	1,018 + 7
Payroll costs, including estimated payables for bonuses for the given year	1,054,543	1,369,459	53,876	76,021	1,108,419	1,445,480
Insurance premiums for social security and health insurance, including estimated payables for contributions from bonuses for the given year	326,523	419,321	11,471	15,249	337,994	434,570
Other personnel costs	25,042	40,833	1,762	2,360	26,804	43,193
TOTAL PERSONNEL COSTS	1,406,108	1,829,613	67,109	93,630	1,473,217	1,923,243

The company's management consists of the Director General, executive directors of departments, directors of divisions, and deputy directors of sections. Pursuant to the collective agreement, capital insurance and life insurance have been paid and contributions to supplementary pension insurance have been provided for company's managers. The managers of the company have been provided with business vehicles also for private purposes.

The effect of austerity measures adopted in 2020 can be seen both in the drop in personnel costs in 2021 and in reduced headcount.

The Supervisory Board of the company has 6 members, out of which 4 have been appointed by the founder, and 2 have been elected from among employees. Members of the Board are remunerated for performance of their duties in the Supervisory Board. The Audit Committee has 3 members. Audit Committee members are remunerated for performance of their duties in the Committee.

6 INFORMATION ON RELATED ENTITIES

Air Navigation Services of the Czech Republic (hereinafter the "company") is a state-owned company. The founder of the company is the Czech Republic – Ministry of Transport, náměstí Ludvíka Svobody 1222/12, Postal Code 110 15 Prague 1. Related entities include, aside companies with an ownership interest of the company, also companies with ownership interests of the Czech Republic through the state administration authorities (Ministry). All transactions between the company and its related entities have been conducted under standard market conditions.

The subsidiary Czech Aviation Training Centre, s.r.o. (hereinafter "CATC"), where the company holds a 100% ownership interest, is also a related entity.

The volume of company's costs from transactions with related entities in 2021 amounted to 159,641K CZK. Suppliers – related entities as per the definition – include, in particular, the Czech Hydrometeorological Institute, Civil Aviation Authority of the Czech

Republic, Letiště Praha a.s., FAB CE Ltd., CATC s.r.o., the Institute of Aviation Health, and the Czech Telecommunication Office. The total volume of the company's payables (solely within the due date) to the related entities mentioned above as at 31 December 2021, including estimated payables, reached the amount of 155,519K CZK.

The volume of company's revenues from transactions with related entities in 2021 amounted to 79,058K CZK. Suppliers – related entities as per the definition – include, in particular, the Ministry of Transport of the Czech Republic, the Ministry of Defence of the Czech Republic, CATC s.r.o., the Czech Hydrometeorological Institute, and Civil Aviation Authority of the Czech Republic. The total amount of the company's receivables from the related entities mentioned above as at 31 December 2021 was 14,598K CZK.

In 2021, ANS CR was fully compensated from the state budget for the costs incurred by the company in connection with the provision of services to flights exempt from charges in the total amount of 57,521K CZK. This compensation is provided to ANS providers in compliance with Commission Regulation (EC) No. 1794/2006 currently replaced by Commission Implementing Regulation (EU) 2019/317 of 11 February 2019 laying down a performance and charging scheme in the single European sky and in compliance with Czech Government Resolution No. 1404 of 2 November 2005.

7 SUBSIDIES

The state-owned company ANS CR participates in development programmes in ATM. One of these programmes is the SESAR Deployment Programme, in which selected projects are co-financed by the European Union through the European Climate, Infrastructure and Environment Executive Agency (CINEA) by means of grants. These grant projects are aimed at introducing new technologies in the sector of air navigation services and co-financing of investments thus forms an essential part.

In addition, the company participates in the SESAR H 2020 programmes. The subsidy is in these cases granted to cover the operating costs incurred by the company in connection with the subject matter of the subsidy.

(EUR thousands)	Total estimated amount of subsidy to be drawn by ANS CR
Subsidies from programmes SESAR 2020 Wave 2 and 3	547
Subsidies from programmes SESAR Deployment	9,678

The balances of receivables from subsidies are set out in clause 4.4.4. of the Annex. The amount of the subsidies which are expected to be drawn and which are yet to be spent in accordance with the terms of individual subsidy programmes corresponds to the amount of payables detailed in clause 4.9.3. of the Annex. The amount of revenues posted in 2021 in respect to the subsidies is detailed in clause 9 of the Annex. The posted amount of eligible subsidies was adjusted so as to be in line with the expected drawdown on subsidies in 2021. ANS CR also participates in projects under TAČR programmes; the total maximum amount of these subsidies is 6,633K CZK.

In 2021, a grant agreement was signed for participation in the SESAR H2020 U-space for the Urban Air Mobility project.

8 RESEARCH AND DEVELOPMENT COSTS

ANS CR is a member of the European SESAR Joint Undertaking (SJU) within the B4 consortium, which deals with ATM R&D projects. ANS CR participates in part in some selected projects led by SJU under the SESAR 2020 programme. The role of ANS CR in these R&D projects is only as one of the contributors to the project, led always by a designated coordinator from among other SJU members. The role of ANS CR in these projects rests primarily with providing expert reviews, preparation of analyses as need be, provision of own operations data and also coordination of third parties, which participate in projects from their professional point of view through ANS CR. Given the involvement of ANS CR experts, whose primary activity is not research and development, and the fact that ANS CR does not have any site directly involved in ATM research and development, we consider the participation of ANS CR in SESAR only as a partial contribution to the SESAR programme.

9 SIGNIFICANT ITEMS IN THE PROFIT AND LOSS STATEMENT

Other operating income reached a total volume of 82,992K CZK in 2021. In 2020, the said income amounted to 72,139K CZK. The most significant item in other operating income is the compensation for costs of charge-free flights in the amount of 57,521K CZK and revenues from insurance premiums for repairs of Cessna aircraft. A proportional part of the subsidies granted under SESAR projects in the amount of 3,135K CZK has been posted in other operating income.

Other operating costs equalled 250,471K CZK in 2021 and 250,848K CZK in 2020. The structure of other operating costs does not change year on year. The most significant item in other operating costs is the payment of the Czech Republic's membership fee to the budget of the European Organisation for the Safety of Air Navigation (EUROCONTROL) in the amount of 159,297K CZK, the refund of costs of the national supervisory authority in the amount of 49,547K CZK and, last but not least, the costs of property and liability insurance in the amount of 15,806K CZK.

10 THE COMPANY IS A GOING CONCERN

In 2021, the air transport sector was again negatively affected by the continuing coronavirus pandemic. The impact of pandemic measures and tourism restrictions persisted, in particular, in the first half of the year. Some recovery then took place in the second half of the year, although air traffic performance was far from pre-pandemic volumes. In the area of en-route navigation services, there was a 56% drop in traffic compared to the reference year 2019 (in service units), in the area of terminal navigation services, the fall was even 62% compared to 2019 (in terminal service units).

The continued restrictions in air transport were also dramatically reflected in the company's economy in 2021. In order to partially compensate for the loss of revenues from air traffic services, we continued to take cost-saving measures. Thanks to these measures, we have reduced the total costs of the company by 28% as compared with the reference year 2019. Significant savings were also made in personnel costs, where, in addition to freezing partial wage components, the headcount was reduced.

In order to stabilise the financial situation of the company, external sources of financing were used. The credit limit granted by KB, a.s. for financing and completion of the new TopSky air traffic control system has been drawn. Also, investment credit granted by ČSOB, a.s. for modification of the existing support systems for connection to the new TopSky system has been drawn. The maturity of external sources of financing has been set in such a way so that repayments would start in the period when air traffic performance returns back to the standard level.

The Single European Sky (SES) is a remarkable initiative of the European Commission in air transport. The aim of SES is above all to improve safety standards for air traffic, to ensure the long-term sustainable development of air transport, and to improve the overall performance of air traffic organisation and air navigation services for general air traffic in Europe so as to meet

the requirements of all airspace users. The instrument for implementing this initiative is, inter alia, the system of performance planning for ANS providers, as governed by Commission Implementing Regulation (EU) 2019/317. The Performance Plan lays down the parameters for long-term sustainable development of the company in order to provide cost-effective air navigation services while maintaining the financial stability of the ANS provider. In the light of the coronavirus pandemic and its impact on the entire air transport sector, in November 2020, the EC issued Commission Implementing Regulation (EU) 2020/1627 on exceptional measures for the third reference period (2020–2024) of the single European sky performance and charging scheme due to the COVID-19 pandemic. This Regulation establishes, inter alia, a mechanism for offsetting losses of ANS providers for the years 2020 and 2021 in subsequent periods.

On the basis of the above EC Regulation, the Performance Plan of the Czech Republic for the third reference period (from 2020 to 2024) was updated in the first half of 2021. The revised Plan responds to the new performance targets announced by the European Commission. This Plan was successfully discussed in consultation with representatives of ANS users, the European Commission and other stakeholders in July 2021. The final version of the revised Performance Plan of the Czech Republic was submitted to the EC for assessment on 30 September 2021. It is obvious from the “PRB assessment of the revised draft performance plans for RP3” from the beginning of March 2022 that the revised Performance Plan of the Czech Republic meets the targets required by the European Commission and has been recommended for approval.

The Performance Plan of the Czech Republic for the third reference period thus lays robust grounds for further development of the company in the coming years. Thanks to the adopted austerity measures, a responsible and rational budgetary policy based on the mechanisms of the performance planning system, the state-owned company ANS CR remains a stable, reliable and predictable part of civil aviation in the Czech Republic. The Financial Statements as at 31 December 2021 were prepared provided that the state-owned company Air Navigation Services of the Czech Republic continues to operate for an unlimited period of time.

11 INFORMATION ON AUDIT FEES

Grant Thornton Audit s.r.o. (formerly Fučík & partneři s.r.o.) has been providing auditing services to the company since 2020. The costs of auditing and consulting services were as follows:

INFORMATION ON AUDIT FEES (CZK thousands)	2021	2020
Statutory audit	495	150
Consulting services	17	403

12 EVENTS AFTER THE BALANCE SHEET DATE

On 4 March 2022, the new TopSky air traffic control system was fully deployed with an ambition to meet high technical and capacity requirements expected from control systems in the 21st century. It will also fulfil the requirements of the European Commission under the Single European Sky programme for technical competence and related certification of European air navigation service providers.

In March 2022, the EC Performance Review Body (PRB) assessed the Performance Plan of the Czech Republic for RP3 as meeting Europe-wide targets and endorsed it for approval. The Performance Plan of the Czech Republic for the third reference period thus lays robust grounds for further development of the company in the coming years.

The war conflict in Ukraine began in February 2022. This fact and the subsequently adopted economic and political sanctions against Russia will have a significant impact on the civil aviation sector. The impact on the company's situation will be monitored and evaluated on an ongoing basis. As at the date of compilation of the Financial Statements, following an analysis of receivables and revenues, the expected effects on the financial situation of the company are not threatening.

The company management considered the potential impacts of the above facts on its activities and business and concluded that they did not have a significant impact on the assumption that the company is a going concern. In view of this, the Financial Statements as at 31 December 2021 were prepared provided that the company is able to continue in its activities.

13 RISK MANAGEMENT

Credit risks – As at 31 December 2021, the company's situation was stable. The external financing received has been set to cover the repayment of these resources at the time when the company's situation is expected to have been stabilised with regard to the evolution of the pandemic. Financial assets consist mainly of fund deposits at banks and receivables. Funds have been deposited with reputable banking institutions. The risks associated with trade receivables are limited due to a large number of customers of air navigation services. The debt-related risks are further reduced by the effective debt recovery system applied by the European Organisation for the Safety of Air Navigation (EUROCONTROL).

Currency risks – Thanks to the monthly conversion mechanism of the reference unit price of air navigation services provided at the current exchange rate, the company is secured against significant exchange rate fluctuations on the date of invoicing of services. The sensitivity of the company to exchange rate risks is reduced thanks to this mechanism. Currency risks are further reduced by the management of balances in foreign currency and by hedging of the company's major receivables.

14 OFF-BALANCE SHEET LIABILITIES

Litigations – As at 31 December 2021, no litigation has been brought against the company that could have a significant impact on the Financial Statements.

Environmental commitments – All the standards related to environmental protection are adhered to and no proceedings pertaining to environmental protection have been initiated against the company that could have a significant impact on the Financial Statements.

Bank guarantees provided – In 2021, the company provided bank guarantees to foreign customers in relation to commercial activities of the Czech Air Navigation Institute (CANI) and the calibration squadron. Overview of granted bank guarantees:

BANK GUARANTEE FOR	Guarantee validity	Amount and currency
Tanzania Civil Aviation Authority	01/02/2019 – 30/11/2021	68,400 USD
Air Navigation Services Agency of Kosovo	14/01/2020 – 20/02/2021	4,118 EUR
Sakaaeronavigatsia Ltd., Georgia	18/05/2021 – 31/01/2022	2,815 EUR
Air Navigation Services Agency of Kosovo	28/05/2021 – 27/07/2022	4,156 EUR

15 CASH FLOW OVERVIEW

Cash flow overview has been compiled by means of an indirect method and is detailed in a separate report. Cash is considered as cash on hand, including security printed items and cash on bank accounts, including current account overdrafts.

Austrian Airlines – Since 1957, it has been the Austrian national airline headquartered at the Vienna International Airport, Schwechat. It operates an air fleet of 70 aircraft and regularly connects Austria with 130 destinations worldwide.



Consolidated Financial Statements according to National Accounting Standards

Independent Auditor's Report

For the Founder of the Air Navigation Services of the Czech Republic

Auditor's Opinion

We have audited the accompanying Consolidated Financial Statements of the Air Navigation Services of the Czech Republic (hereinafter the "Company") compiled in compliance with the Czech Accounting Standards and consisting of the Consolidated Balance Sheet as at 31 December 2021, the Consolidated Profit and Loss Statement, the Consolidated Statement of Changes in Equity, and the Consolidated Cash Flow Overview for the year ended 31 December 2021, and the Annexes to the Consolidated Financial Statements detailing the description of the relevant accounting methods used and other explanatory information.

In our opinion, the Consolidated Financial Statements present fairly, in all material respects, the assets and liabilities of the Air Navigation Services of the Czech Republic as at 31 December 2021, its costs, revenues, profit/loss and cash flow for the year ended 31 December 2021 in conformity with the Czech Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with the Act on Auditors and standards of the Chamber of Auditors of the Czech Republic for auditing, which are International Standards on Auditing (ISA), if need be, supplemented and modified by related application clauses. Our responsibilities stipulated by the said Standards are described in more detail in the Auditor's Responsibility for Audit of Consolidated Financial Statements section. We are independent of the Company as per the Act on Auditors and the Code of Conduct adopted by the Chamber of Auditors of the Czech Republic and we have also met other ethical obligations arising from these regulations. We believe that the evidence that we have gathered provides a sufficient and reasonable basis for our opinion.

Other facts

The Annual Report includes the 'Report on economic performance in 2021 (including the financial statements) compiled with regard to the International Financial Reporting Standards – IFRS' (hereinafter the "Report"), which we see as part of 'Other information'. The aforementioned Auditor's Opinion shall not apply to this Report.

Other information specified in the Annual Report

Pursuant to S. 2(b) of the Act on Auditors, other

information is information specified in the Annual Report outside the Consolidated Financial Statements and our Auditor's Opinion. The governing body of the Company is responsible for other information.

Our opinion on the Consolidated Financial Statements shall not apply to other information. However, it is part of our obligations related to auditing the Consolidated Financial Statements to familiarise ourselves with other information and assess whether or not other information is in significant (material) non-compliance with the Consolidated Financial Statements or with our knowledge of the consolidated accounting entity obtained during auditing of the Consolidated Financial Statements or whether or not such information otherwise appears to be significantly (materially) incorrect. We also assess whether other information has been prepared in all significant (material) respects in accordance with the relevant legal regulations. This assessment means whether or not other information meets the requirements of legal regulations on formal requisites and the process of preparing other information in the context of significance (materiality), i.e. whether any failure to comply with those requirements would be capable of influencing the judgement made on the basis of other information.

On the basis of the procedures we have carried out, to the extent that we can assess, we state that other information, which describes the facts which are also subject of disclosure in the Consolidated Financial Statements, is in all significant (material) respects in accordance with the Consolidated Financial Statements and

- other information has been prepared in compliance with legal regulations.
- Furthermore, we are obliged to indicate whether or not, on the basis of the knowledge and awareness of the Company that we have reached when conducting the audit, other information contains any significant (material) factual misstatement. Within the framework of the above procedures, we have not found any significant (material) misstatement in other information received.

Responsibility of the governing body (Director General), supervisory body (Supervisory Board) and Audit Committee of the Company for the Consolidated Financial Statements

The governing body of the Company is responsible for

preparing the Consolidated Financial Statements that present a true and fair view in compliance with the Czech Accounting Standards and for such an internal control system that is deemed necessary for the preparation of the Consolidated Financial Statements so that it would be free from significant (material) misstatement, whether due to fraud or error.

When compiling the Consolidated Financial Statements, the governing body of the Company shall assess whether the Company is a going concern and, if relevant, describe in the Annex to the Consolidated Financial Statements all the matters relating thereto on the assumption that the Company is a going concern upon compilation of the Consolidated Financial Statements except for the cases when the governing body plans to wind up the Company or terminate its activities and/or has no other real option than to do so.

The supervisory body and the Audit Committee are responsible for supervising the financial reporting process of the Company.

Auditor's responsibility for the audit of the Consolidated Financial Statements

Our aim is to obtain reasonable assurance that the Consolidated Financial Statements are free from significant (material) misstatement, whether due to fraud or error, and issue the Audit Report containing our opinion. A reasonable assurance is a high level of assurance; nevertheless, it is not a guarantee that the audit carried out in accordance with the aforementioned regulations may detect all cases of possible existing significant (material) misstatement in the Consolidated Financial Statements. Misstatement may occur due to fraud or error and is deemed significant (material) if it may be reasonably assumed that it, individually or in summary, may affect the economic decisions made by users of the Consolidated Financial Statements and based thereon.

When conducting an audit in compliance with the aforementioned regulations, it is our duty to exercise professional judgement and professional scepticism throughout the audit. Furthermore, it is our duty to:

- Identify and assess the risks of significant (material) misstatement in the Consolidated Financial Statements, whether due to fraud or error, propose and carry out audit procedures responding to such risks and obtain sufficient and appropriate evidence based on which we would be able to issue our opinion. The risk that we do not detect any significant (material) misstatement caused by fraud is greater than the risk of not detecting any significant (material) misstatement caused by error as the fraud may include collusion, falsification, intentional omissions, false statements, or circumvention of internal controls.

- Get familiar with the internal control system of the Company relevant for audit to such an extent to be able to propose audit procedures appropriate with regard to the given circumstances and not to express an opinion on the effectiveness of the internal control system thereof.
- Evaluate the appropriateness of accounting policies used, the reasonableness of accounting estimates made, as well as evaluate the overall presentation of information in the Consolidated Financial Statements by the governing body in relation thereto.
- Assess the appropriateness of the assumption that the Company is a going concern upon compilation of the Consolidated Financial Statements by the governing body and whether, with regard to the evidence gathered, there is significant (material) uncertainty arising from events or conditions that could cast substantial doubt on the Company's ability to be a going concern. If we conclude that such significant (material) misstatement exists, it is our duty to draw attention to the information given in this relation in the Annex to the Consolidated Financial Statements in our Audit Report and, should such information be insufficient, express a modified opinion. Our conclusions on the Company's ability to be a going concern are based on the evidence we have obtained by the date of our Audit Report. Nonetheless, future events or conditions may result in the Company's loss of ability to be a going concern.
- Evaluate the overall presentation, segmentation and content of the Consolidated Financial Statements, including Annexes, and the fact whether the Consolidated Financial Statements reflect underlying transactions and events in a manner presenting a fair view.

Our duty is to inform the governing body and the supervisory body about, inter alia, the planned scope and timing of audit and any significant findings we have made during audit, including any identified significant deficiencies in the internal control system.

It is also our duty to provide the Audit Committee with a statement that we have met the relevant ethical requirements relating to independence, and to inform about all relations and other matters that can reasonably be considered to have an impact on our independence as well as any related measures.

In Prague on 30 March, 2022

Audit firm
Grant Thornton Audit s.r.o.
Pujmanová 1753/10a, Praha 4
Registration number 603

Mr. Jan Vácha
Auditor, Registration number 2379



CONSOLIDATED BALANCE SHEET

in full (CZK thousands) compiled as of 31 December 2021

Statement line/Content of the item				Value in the current accounting period	Value in the past accounting period
TOTAL ASSETS				6,977,512	7,306,089
B.	Fixed assets			5,357,288	5,368,413
	B.I.	Intangible fixed assets		1,838,995	1,751,436
		B.I.2.	Valuable rights	566,955	776,603
			B.I.2.1. Software	566,925	776,390
			B.I.2.2. Other valuable rights	30	213
		B.I.4.	Other intangible fixed assets	23,261	30,422
		B.I.5.	Prepayments for intangible fixed assets and intangible fixed assets in progress	1,248,779	944,411
			B.I.5.2. Intangible fixed assets in progress	1,248,779	944,411
	B.II.	Tangible fixed assets		3,520,813	3,619,747
		B.II.1.	Land, buildings and structures	1,563,317	1,642,975
			B.II.1.1. Land	16,425	16,441
			B.II.1.2. Buildings and structures	1,546,892	1,626,534
		B.II.2.	Tangible movable assets and sets of tangible movable assets	1,746,385	1,915,568
		B.II.4.	Other tangible fixed assets	2,235	2,217
			B.II.4.3. Other tangible fixed assets	2,235	2,217
		B.II.5.	Prepayments for tangible fixed assets and tangible fixed assets under construction	208,876	58,987
			B.II.5.2. Tangible fixed assets under construction	208,876	58,987
	B.III.	Non-current financial assets		372	391
		B.III.5.	Other non-current securities and investments	372	391
	B.V.	Negative consolidation difference		-2,892	-3,161

Statement line/Content of the item					Value in the current accounting period	Value in the past accounting period	
C.	Current Assets				1,542,466	1,872,763	
	C.I.	Inventories			38,144	39,196	
		C.I.1.	Material		37,817	38,829	
		C.I.3.	Products and goods		327	367	
			C.I.3.2.	Goods	327	367	
	C.II.	Receivables			668,824	725,190	
		C.II.1.	Long-term receivables		37,257	448	
			C.II.1.1.	Trade receivables		80	
			C.II.1.4.	Deferred tax receivable	37,076	222	
			C.II.1.5.	Receivables – other	181	146	
				C.II.1.5.2.	Long-term prepayments made	181	146
		C.II.2.	Short-term receivables		631,567	724,742	
			C.II.2.1.	Trade receivables	401,812	439,786	
			C.II.2.4.	Receivables – other	229,755	284,956	
				C.II.2.4.3.	State – tax receivables	28,493	49,709
				C.II.2.4.4.	Short-term prepayments made	1,728	2,777
				C.II.2.4.5.	Estimated receivables	6,109	6,838
				C.II.2.4.6.	Sundry receivables	193,425	225,632
	C.IV.	Cash			835,498	1,108,377	
		C.IV.1.	Cash on hand		1,314	1,975	
		C.IV.2.	Cash at bank		834,184	1,106,402	
D.	Other assets				77,758	64,913	
	D.1.	Deferred costs			65,185	64,913	
	D.3.	Accrued income			12,573		

Statement line/Content of the item				Value in the current accounting period	Value in the past accounting period
TOTAL LIABILITIES				6,977,512	7,306,089
A.	Equity			3,732,817	4,530,711
	A.I.	Registered capital		1,087,503	1,087,503
		A.I.1.	Registered capital	1,082,822	1,082,822
		A.I.3.	Changes in registered capital	4,681	4,681
	A.II.	Share premium and capital funds		309,488	271,042
		A.II.2.	Capital funds	309,488	271,042
			A.II.2.1. Other capital funds	248,532	248,714
			A.II.2.2. Gains or losses from the revaluation of assets and liabilities (+/-)	60,956	22,328
	A.III.	Funds from profit		4,151,241	4,486,235
		A.III.1.	Other reserve funds		320,000
		A.III.2.	Statutory and other funds	4,151,241	4,166,235
	A.IV.	Retained earnings (+/-)		-993,880	155,277
		A.IV.1.	Accumulated profits brought forward (+/-)	-993,880	155,277
	A.V.	Profit/loss for the current period		-821,535	-1,469,346
		A.V.1.	Profit/loss for the current period without equivalence and minority stakes (+/-)	-821,535	-1,469,346

Statement line/Content of the item					Value in the current accounting period	Value in the past accounting period
B+C	Liabilities				3,210,027	2,717,483
B.	Reserves				20,707	17,066
	B.4.	Other reserves			20,707	17,066
C.	Payables				3,189,320	2,700,417
	C.I.	Long-term payables			2,608,900	2,076,552
		C.I.2.	Payables to credit institutions		1,872,812	1,316,174
		C.I.3.	Long-term advances received			16,175
		C.I.4.	Trade payables		33,409	43,850
		C.I.6.	Payables – controlled or controlling entity		500,000	500,000
		C.I.9.	Other payables		202,679	200,353
			C.I.9.2.	Estimated payables	202,679	200,353
	C.II.	Short-term payables			580,420	623,865
		C.II.2.	Payables to credit institutions		78,769	54,517
		C.II.3.	Short-term advances received		23,553	15,810
		C.II.4.	Trade payables		166,536	173,683
		C.II.8.	Other payables		311,562	379,855
			C.II.8.3.	Payables to employees	89,272	100,661
			C.II.8.4.	Social security and health insurance payables	35,762	34,641
			C.II.8.5.	State – tax payables and subsidies	35,711	81,398
			C.II.8.6.	Estimated payables	127,286	131,188
			C.II.8.7.	Sundry payables	23,531	31,967
D.	Other liabilities				34,668	57,895
	D.2.	Deferred income			34,668	57,895

CONSOLIDATED PROFIT AND LOSS STATEMENT

in full (CZK thousands) compiled as of 31 December 2021

Statement line/Content of the item			Value in the current accounting period	Value in the past accounting period
I.	Sales of products and services		2,002,767	1,796,759
II.	Sales of goods		41	30
A.	Purchased consumables and services		518,519	546,328
	A.1.	Cost of goods sold	1	
	A.2.	Consumed material and energy	77,281	81,589
	A.3.	Services	441,237	464,739
D.	Personnel costs		1,538,216	1,992,219
	D.1.	Payroll costs	1,157,140	1,497,379
	D.2.	Social security and health insurance costs and other charges	381,076	494,840
		D.2.1. Social security and health insurance costs	353,305	450,705
		D.2.2. Other costs	27,771	44,135
E.	Adjustments to values in operating activities		655,600	663,855
	E.1.	Adjustments to values of intangible and tangible fixed assets	654,271	643,341
		E.1.1. Adjustments to values of intangible and tangible fixed assets – permanent	654,315	647,779
		E.1.2. Adjustments to values of intangible and tangible fixed assets – temporary	-44	-4,438
	E.2.	Adjustments to values of inventories	541	-51
	E.3.	Adjustments to values of receivables	788	20,565
	Clearing of the negative (passive) consolidation difference		269	269
III.	Other operating income		93,064	86,688
	III.1.	Sales of fixed assets	840	3,538
	III.2.	Sales of material	723	1,076
	III.3.	Sundry operating income	91,501	82,074
F.	Other operating costs		252,741	253,495
	F.1.	Depreciated price of sold fixed assets	22	9,360
	F.2.	Net book value of sold material	7	13
	F.3.	Taxes and charges	3,667	3,386
	F.4.	Reserves relating to operating activities and complex deferred costs	3,641	-921
	F.5.	Sundry operating costs	245,404	241,657
*	OPERATING PROFIT/LOSS (+/-)		-868,935	-1,572,151

Statement line/Content of the item			Value in the current accounting period	Value in the past accounting period
VI.	Interest, income, and, similar, income		1,413	1,845
	VI.2.	Other, interest, income, and, similar, income	1,413	1,845
J.	Interest, expenses, and, similar, expenses		8,841	8,273
	J.2.	Other, interest, expenses, and, similar, expenses	8,841	8,273
VII.	Other, financial, revenues		69,507	93,753
K.	Other, financial, costs		66,298	135,989
*	FINANCIAL, PROFIT/LOSS, (+/-)		-4,219	-48,664
**	PROFIT/LOSS, BEFORE, TAX, (+/-)		-873,154	-1,620,815
L.	Income, tax		-51,619	-151,469
	L.1.	Due, income, tax	-5,700	915
	L.2.	Deferred, income, tax, (+/-)	-45,919	-152,384
**	PROFIT/LOSS, NET, OF, TAX, (+/-)		-821,535	-1,469,346
	Profit/loss, for, the, accounting, period, without, equivalence, (+/-)		-821,535	-1,469,346
	Of, which:., Profit/loss, without, minority, stakes		-821,535	-1,469,346
	CONSOLIDATED, PROFIT/LOSS, FOR, THE, ACCOUNTING, PERIOD		-821,535	-1,469,346

CONSOLIDATED CASH FLOW STATEMENT

compiled as of 31 December 2021 (CZK thousands)

				2021	2020
P.	Cash at the beginning of the period			1,108,377	1,156,965
Z.	Accounting profit/loss from ordinary activities before tax			-873,154	-1,620,815
	A.1.	Adjustments to non-cash transactions		664,286	702,402
		A.1.1	Depreciation of fixed assets including consolidation difference	654,584	648,048
		A.1.2	Change in allowances, provisions	4,930	15,155
		A.1.3	Profit (loss) from the sale of fixed assets	-818	5,822
		A.1.5	Net interest costs and net income interests	7,428	6,428
		A.1.6	Possible adjustments related to other non-cash transactions	-1,838	26,949
A.*	Net cash from operating activities before taxation, changes in working capital and extraordinary items			-208,868	-918,413
	A.2.	Changes in non-cash working capital		-9,656	183,122
		A.2.1	Change in receivables from operating activities	56,881	155,822
		A.2.2	Change in short-term payable from operating activities	-67,042	28,868
		A.2.3	Change in inventories	505	-1,568
A.**	Net cash from operating activities before tax			-218,524	-735,291
	A.3.	Interest paid, excluding interest included in the valuation of fixed assets (-)		-8,006	-8,264
	A.4.	Interest received (+)		1,413	1,845
	A.5.	Income tax pad from ordinary activities and additional assessment		17,138	10,311
A.***	Net cash from operating activities			-207,979	-731,399
	B.1.	Expenses connected to acquiring fixed assets		-682,927	-704,685
	B.2.	Proceeds from the sale of fixed assets		840	3,538
B.***	Net cash from investing activities			-682,087	-701,147
	C.1.	Change in long and short-term liabilities		629,504	1,405,262
	C.2.	Impact of changes in equity on cash resources		-12,317	-21,304
		C.2.5	Direct payments debited to funds (-)	-12,317	-21,304
C.***	Net cash from financial activities			617,187	1,383,958
F.	Net change in cash resources			-272,879	-48,588
R.	Cash at the end of the period			835,498	1,108,377

CONSOLIDATED SUMMARY OF CHANGES IN EQUITY

compiled as of 31 December 2021 (CZK thousands)

Changes/balances	Registe- red capital	Other capital contribu- tions	Gains or losses from revalua- tion of assets and liabilities	Reserve fund	Founder's fund	Develop- ment fund	Other funds created from profit	Cumula- tive profit and loss	Total equity
Balance sheet line	A.I.	A.II.2.1.	A.II.2.2.	A.III.1.	A.III.2. (část)	A.III.2. (část)	A.III.2. (část)	A.IV. + A.V.	A.
Balance as at 1 January 2020	1,087,503	248,753	-406	320,000	0	3,959,400	149,190	237,265	6,001,705
Revaluation of equity investment			14						14
Use of resources of funds created from profit in 2020							-24,343		-24,343
Contributions to funds							81,988	-81,988	0
Revaluation of long-term foreign-currency credit – hedge			28,049						28,049
Deferred tax posted to 414			-5,329						-5,329
Other consolidation adjustments, including exchange rate differences		-39							-39
Profit/loss for 2020								-1,469,346	-1,469,346
Balance as at 31 December 2020	1,087,503	248,714	22,328	320,000	0	3,959,400	206,835	-1,314,069	4,530,711
Revaluation of equity investment			-19						-19
Use of resources of funds created from profit in 2021							-14,994		-14,994
Distribution of profit/loss from 2020				-320,000				320,000	0
Revaluation of long-term foreign-currency credit – hedge			47,714						47,714
Deferred tax posted to 414			-9,065						-9,065
Other consolidation adjustments, including exchange rate differences		-182	-2					189	5
Profit/loss for 2021								-821,535	-821,535
Balance as at 31 December 2021	1,087,503	248,532	60,956	0	0	3,959,400	191,841	-1,815,415	3,732,817

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1 GENERAL INFORMATION – CONSOLIDATION GROUP DEFINITION

1.1 PARENT COMPANY

Entity name:	Air Navigation Services of the Czech Republic
Legal form:	State-owned company
Abbreviated name:	ANS CR
Date of establishment:	ANS CR was established by Decision of the Minister of Transport dated 28 December 1994 No. 4283/1994-KM on 1 January 1995. This Decision transferred all assets that had been managed by the semi-budgetary organization, ANS CR, up until 31 December 1994, including all rights and obligations, to the company. The state-owned company is registered in the Commercial Register maintained by the Municipal Court in Prague, Section A, File 10771.
Headquarters:	Navagační 787, 252 61 Jeneč
Identification No.:	49710371
Main objects of business activities:	Air navigation services, including terminal navigation services, in the airspace of the Czech Republic and at airports Praha-Ruzyně, Brno-Tuřany, Ostrava-Mošnov, and Karlovy Vary
Registered capital:	1,087,503,000 CZK

1.1.1 Description of the company

Air Navigation Services of the Czech Republic is a state-owned company. The founder of the company is the Czech Republic – Ministry of Transport of the Czech Republic, nábreží Ludvíka Svobody 1222/12, Postal Code 110 15 Prague 1. The position and legal status of the state-owned company are governed by Act No. 77/1997 Coll.

ANS CR is the parent company of Czech Aviation Training Centre, s.r.o. (CATC) where it holds a 100% ownership interest. The accompanying Financial Statements have been prepared as Consolidated Financial Statements for the whole group in accordance with the national accounting standards.

The company has no organisational units abroad.

1.1.2 Changes and amendments to the Commercial Register during the last accounting period

There were no changes or amendments pertaining to ANS CR to the record in the Commercial Register in 2021.

1.1.3 Governing and supervisory authorities of the company as at 31 December 2021

Company management – governing authorities

Director General:	Mr. Jan Klas
First Deputy Director General:	Mr. Petr Fajtl
Second Deputy Director General:	Mr. Radovan Okenka, M.Sc.

Supervisory Board

Chairman:	Mrs. Magdalena Faltýsková
Deputy Chairman:	Mr. Zdeněk Jelínek
Members:	Major General Mr. Petr Hromek
	Mr. Aleš Kořínek
	Mr. Stanislav Pleninger, Ph.D.
	Mr. Vít Soukup

Pursuant to the provisions of Section 44c(1c) of Act No. 93/2009 Coll., on Auditors, as amended, ANS CR has the legal obligation to establish an Audit Committee. The Committee has three members appointed by the governing authorities of ANS CR on the recommendation of the Supervisory Board dated 9 December 2021.

Audit Committee

Chairman:	Mr. Ivan Hayek
Deputy Chairman:	Mrs. Eva Dekastellová
Member:	Mrs. Eva Ondřichová

1.2 SUBSIDIARIES

Entity name:	Czech Aviation Training Centre, s.r.o.
Legal form:	Limited liability company
Abbreviated name:	CATC
Date of establishment:	The company was incorporated in the Commercial Register maintained by the Municipal Court in Prague, Section C, File 179521, on 2 May 2011. On 27 September 2012, České aerolinie a.s. (Czech Airlines) (as the only then partner) concluded a contract with the state-owned company ANS CR on the transfer of the company's business share at the purchase price of 280,000,000 CZK, determined by an expert report, with effect as at 1 October 2012.
Headquarters:	K Letišti 934, 161 00 Prague 6
Identification No.:	24843628
Main objects of business activities:	Training of aircraft pilots and flying, technical support and operating staff, production, installation, repair of electric machines and instruments, electronic and telecommunications devices
Registered capital:	150,200,000 CZK

1.2.1 Main owners of the company

The parent company is the Air Navigation Services of the Czech Republic (ANS CR) holding 100% ownership interest in the company. The company is part of the consolidation unit of the parent company.

1.2.2 Changes and amendments to the Commercial Register during the last accounting period

There were no changes or amendments pertaining to CATC, s.r.o. to the record in the Commercial Register in 2021..

1.2.3 Ownership interests

The subsidiary Czech Aerospace Training Academy India, Pvt. Ltd. (CATAI) was incorporated in the Commercial Register of India on 23 December 2014, and then changed its business name to Czech Aviation Training Centre India, Pvt. Ltd. (CATC India) as at 1 December 2016.

1.2.4 Governing and supervisory authorities of the company as at 31 December 2021

Company management – governing authorities	
Managing Director and CEO:	Mr. Antonín Jakubše, CSc.
Supervisory Board	
Chairman:	Mr. Pavel Kysilka, CSc.
Member:	Mr. Petr Fajtl
Member:	Mr. František Marejka
Member:	Mr. Jiří Weigl, CSc.

1.3 CONSOLIDATION UNIT

Company	Registered office	Share	Degree of influence	Consolidation method
Air Navigation Services of the Czech Republic (ANS CR)	Jeneč, Navigační 787	x	Consolidating entity	x
		Profit/loss in 2021 (in CZK thousand)		-798,688
		Equity as at 31 December 2021 (in CZK thousand)		3,794 358
Czech Aviation Training Centre, s.r.o. (CATC)	K letišti 934, Ruzyně 161 00, Prague 6	100%	Controlling	Full
		Profit/loss in 2021 (in CZK thousand)		-27,939
		Equity as at 31 December 2021 (in CZK thousand)		225,902
Czech Aviation Training Centre India, Pvt. Ltd. (CATC India)	L-24, Kirti Nagar, West Delhi – 110 015, New Delhi, India	99,999965%	Controlling	Full
		Profit/loss in 2021 (in CZK thousand)		-505
		Equity as at 31 December 2021 (in CZK thousand)		328

Share in Czech Aviation Training Centre India, Pvt. Ltd. (CATC India) not owned by Czech Aviation Training Centre, s.r.o. (CATC) equals 0.000035%.

1.4 BASIC RULES FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements have been prepared in accordance with Act No. 563/1991 Coll., on Accounting, as amended, Decree No. 500/2002 Coll., which implements certain provisions of Act No. 563/1991 Coll., on Accounting, as amended, for entities that are businesses performing double-entry bookkeeping and Czech Accounting Standards for Entrepreneurs in wording valid for 2021, in particular, Czech Accounting Standards No. 20.

Consolidation has been carried out as direct consolidation.

The full consolidation method has been used for companies with controlling influence to prepare the Consolidated Financial Statements.

1.4.1 Comparability of data and valuation principles

The Financial Statements of companies in consolidation were compiled as at 31 December 2021. Because CATC India prepares its Financial Statements as at 31 March, the interim Financial Statements were drawn up as at 31 December 2021 in compliance with accounting principles.

The Consolidated Financial Statements were prepared on the basis of historical prices with the exception of financial assets held for trading and financial derivatives, which are valued at fair values.

Depreciation schedules set by individual companies in the consolidation unit and the consequent depreciation of intangible and tangible fixed assets were not adjusted for compiling the Consolidated Financial Statements; rules for depreciation are set in a comparable manner in the subsidiary Czech Aviation Training Centre, s.r.o. whereas long-term assets and depreciations reported by CATC India are entirely insignificant with respect to the consolidation unit.

For conversion of the Financial Statements of foreign companies included in the consolidation unit which are initially posted in foreign currency, the CNB exchange rate valid as at 31 December 2021 has been used. The Financial Statements of CATC India, which has its headquarters abroad and does its accounting in INR, thus have been converted.

1.4.2 Consolidation procedures

In preparing the Consolidated Financial Statements of the parent company ANS CR, the following adjustments and procedures were carried out:

- a. Summarisation of data from the financial statements of the companies included in the consolidation unit using the full method.
- b. Exclusion of mutual receivables and debts between companies from the consolidation unit. These adjustments have been reflected only by reducing balance sheet items and did not affect the consolidated profit/loss.
- c. Exclusion of mutual costs and revenues from the supply of services carried out between companies of the consolidation unit without affecting profit/loss of the consolidation unit.
- d. Exclusion of mutual deliveries and transactions between companies from the consolidation unit with a major impact on profit/loss of the consolidation unit if:
 - For the sale and purchase of inventories, recorded on the balance sheet at the end of the accounting period, their value is decreased by the profit/loss price component. The value of revenues from the sale of inventories is also decreased by the profit/loss price component. For unused inventory, the price component is determined at the average return on revenues calculated by the selling company.
 - For the sale and purchase of fixed assets, profit/loss is excluded as the difference between the sale price and book carrying value posted by the selling company. The profit/loss margin is depreciated over the remaining depreciation period of the tangible and intangible fixed assets sold.
 - The revenues in the Consolidated Profit and Loss Statement are reduced by the revenues received from the shares in profit of the consolidation unit companies, and the retained earnings are increased or the accumulated losses reduced in the Consolidated Balance Sheet.
- e. Exclusion of minority shares in equity of controlled and managed companies where significant influence is exercised, in the breakdown of shares in the registered capital, capital funds, funds from profit, retained earnings and the current net earnings to the special items of the consolidated statements.
- f. Exclusion of shares whose issuers are controlled and managed companies where significant influence is exercised, and the equity component operated and controlled by a party affiliated with the shares held by the controlling and managing parties from the Consolidated Balance Sheet.
- g. Assessment of the significance of profit/loss reported in the financial statements of consolidated companies with respect to its significance for the Consolidated Financial Statements and a transfer of the balance to profit/loss in the current period, if applicable.

1.4.3 Consolidation difference

Consolidation difference arises in the first year of inclusion in the consolidation unit as a difference between the cost of investment securities and deposits of the controlled and managed companies and their valuation according to the shareholding of the controlling company in the actual amount of equity of the controlled companies without the net earnings for the year at the date of acquisition or the date of the next increase in participation (further acquisition of securities or shares). For consolidation using the equivalence method, the consolidated difference is also addressed as with the full method. Consolidation differences are depreciated over 20 years on a straight-line basis in accordance with Czech Accounting Standard No. 20. The consolidation difference is posted to clearing of the active/negative consolidation difference to expenses or credited to income from ordinary activities.

Negative consolidation difference resulted from the acquisition of Czech Aviation Training Centre, s.r.o. as at 1 October 2012, and amounted to 5,381K CZK. In 2021, depreciation of the consolidation difference equalled 269K CZK and the net value was 2,892K CZK.

2 BASICS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The company's accounting is prepared and the Financial Statements compiled in accordance with Act No. 563/1991 Coll., on Accounting, as amended, Decree No. 500/2002 Coll., which implements certain provisions of Act No. 563/1991 Coll., on Accounting, as amended, for entities that are businesses performing double-entry bookkeeping and Czech Accounting Standards for Entrepreneurs.

The bookkeeping respects general accounting principles, in particular, the principles of valuation of assets and liabilities, accounting accruals, principle of prudence, and assumption of the entity's ability to continue in its activities.

3 GENERAL ACCOUNTING PRINCIPLES, ACCOUNTING METHODS AND THEIR AMENDMENTS AND VARIANCES

The valuation methods applied by the company in preparation of the Financial Statements for 2021 and 2020 are as follows:

3.1 INTANGIBLE FIXED ASSETS

Intangible fixed assets (IFA) are assets valued at more than 60K CZK on an individual basis with an estimated useful life of more than one year while respecting the principle of significance and of a true and fair view of the asset. Intangible fixed assets are valued at acquisition cost, which includes the purchase price and related costs.

Intangible assets not considered fixed are included directly in costs as services at the time of their procurement. Projects and studies that are not intangible fixed assets where the price is more than 60K CZK (without VAT) are accrued for a period of five years.

Book depreciations – depreciations are calculated on the basis of the acquisition price and estimated service life of the assets. Based on the recommendations of the document "Principles for Establishing the Cost Base for Route Facility Charges and the Calculation of the Unit Rates", depreciation is calculated on a straight-line basis using the linear method.

Estimated lifetime for the defined groups of IFA in years:

Software	4–10 years
Other IFA (audiovisual works, projects, studies, trademarks, research and development results)	3–6 years

Allowances for fixed assets are created on the basis of asset stocktaking if there are reasons detected for decreasing the book value of assets.

3.2 TANGIBLE FIXED ASSETS

Tangible fixed assets (TFA) are assets valued at more than 40K CZK on an individual basis with an estimated useful life of more than one year while respecting the principle of significance and of a true and fair view of the asset. Tangible fixed assets are valued at acquisition costs, including the acquisition prices, transportation costs, customs, and other costs associated with the acquisition.

Until the acquired asset is put into use, interest and other financial costs related to the acquisition of the fixed asset are also capitalised in the acquisition cost of the asset on the basis of entity's decision. Tangible fixed assets acquired by delimitation are valued at replacement cost and posted to other capital funds.

Small tangible fixed assets, specifically computer equipment and furniture with an acquisition price between 3K CZK and 40K CZK are depreciated for a period of 4 and 10 years, respectively. Other small tangible fixed assets with an acquisition price between 1K CZK and 40K CZK are posted to account 501 and recorded on off-balance sheet account 796.

Valuation at replacement cost is also calculated for assets recently identified in the bookkeeping and requiring a corresponding entry in the relevant accumulated account for allowances. The replacement cost of such assets is determined by professional estimation.

Where the summarised technical evaluation for an individual tangible fixed asset exceeds 40K CZK for the tax period, the acquisition cost of that asset increases.

Book depreciations for the parent company are calculated from the acquisition cost and estimated service life of the assets. Based on the recommendations of the "Principles for Establishing the Cost Base for Route Facility Charges and the Calculation of the Unit Rates", depreciation is calculated on a straight-line basis using the linear method.

Estimated lifetime for the defined groups of TFA in years:	
Land	Not depreciated
Buildings and structures	30–50 years
Machinery and equipment	4–15 years
Of which – electronic and communications equipment	4–10 years
Of which – energy and other equipment	7–15 years
Masts, towers constructions, lines	20 years
Means of transport	5–20 years
Of which – passenger cars	5 years
Of which – aircraft	10–20 years
Furniture and fixtures	3–10 years
Of which – furniture	10 years
Of which – office equipment, computer equipment and accessories	3–10 years

Book depreciation in a subsidiary is calculated based on the acquisition value and estimated service life of the assets. Depreciation is calculated on a straight-line basis. Flight simulators classified in depreciation group 2 with a depreciation period of 20–25 years form a significant part of tangible assets.

Tax depreciation – Tax depreciation is carried out in accordance with Section 31 (Section 32) of Act No. 586/1992 Coll., on Income Tax, as amended. The company applies linear depreciation for purposes of calculating income tax.

Allowances for fixed assets are created on the basis of asset stocktaking if there are reasons detected for decreasing the book value of given assets.

3.3 FINANCIAL ASSETS

Long-term financial assets are comprised of shares valued at acquisition cost.

As at 31 December, individual financial assets will be revalued as follows:

- Trading securities are valued at fair value while the change in fair value is accounted for either as costs or revenues.
- Available-for-sale securities (excluding fixed-interest bonds) and shares representing minority interests are valued at fair value while the change in fair value is accounted for in equity as gains or losses from revaluation of assets and liabilities.

- Equity holdings representing stakes in a controlled entity or in an entity under substantial influence are valued in equivalence while revaluation is accounted for in equity as gains or losses from revaluation of assets and liabilities.

Fair value is the market value that is declared on a domestic or foreign stock exchange, or valuation by a qualified estimate or expert opinion if market value is not available.

The equivalence method is the acquisition cost of participation adjusted to a value equivalent to the degree of the company's equity participation.

3.4 CASH

Funds consist of security printed items, cash on hand and on bank accounts.

3.5 INVENTORIES

Valuation – Purchased inventories are valued at their acquisition costs. The acquisition costs of inventories includes costs for their acquisition, including costs related to their acquisition (transport costs, commission, etc.)

Based on stocktaking, allowances for inventories were created at the balance sheet date.

3.6 RECEIVABLES

Receivables are valued at their nominal value when created. The valuation of doubtful receivables is reduced by means of provisions for the costs of their expected realisation value.

The company creates statutory provisions in compliance with the Act on Reserves. In addition, accounting provisions are created in relation to the time structure of receivables as follows:

- Provisions for receivables more than one year after due date at 100%
- Provisions for receivables more than 185–365 days after due date at 50%

In the accounting period, the company created provisions for receivables on the basis of stocktaking as at 31 December 2021 according to the age of the receivable and risk assessment.

Estimated receivables are valued on the basis of expert estimates and calculations.

3.7 LOANS

Short-term and long-term loans are posted in their nominal value. Certain long-term loans whose repayment date falls no later than one year from the date of the Financial Statements are also considered short-term loans. Any respective passive balance on the current account is reported in the Balance Sheet also as a short-term bank loan.

3.8 RESERVES

The companies in the consolidation unit create reserves for losses and risks in cases where the title, amount and date of performance can be determined with a high degree of probability, while respecting the factual and temporal context, and a reserve for payable income tax and unused holiday.

3.9 CONVERSION OF DATA IN FOREIGN CURRENCIES INTO CZECH CURRENCY

For the valuation of assets and liabilities (debts) at the time of a transaction, the company uses the daily exchange rate announced by CNB during the previous working day pursuant to Section 24 of the Accounting Act.

At the time of compiling the Financial Statements for 2021, the receivables, payables, and shares in commercial companies, securities and derivatives, security printed items and currency values (financial assets) denominated in a foreign currency were converted using the exchange rate announced by CNB and valid on 31 December 2021.

Realised and unrealised exchange rate gains and losses are posted in financial revenues or financial costs for the current year.

3.10 DERIVATIVES

Derivatives are initially valued at acquisition cost.

Derivatives are reported as part of other short-term/long-term receivables or payables in the attached balance sheet.

Derivatives are broken down into trading derivatives and hedging derivatives. Hedging derivatives are negotiated for the purpose of fair value hedging or cash flow securing. For a derivative to be classified as hedging, changes in fair value or changes in cash flows arising from hedging derivatives must offset, in whole or in part, changes in the fair value of the hedged item or changes in cash flows arising from the hedged item and the company must document and demonstrate the existence of the hedging relationship and high effectiveness of hedging. In other cases, derivatives are intended for trading.

As at the balance sheet date, the derivatives are valued at their fair value. Changes in the fair value of derivatives intended for trading are accounted for in financial costs or revenues. Changes in the fair value of derivatives that are classified as fair value hedging are also accounted for in financial costs and/or revenues, together with the relevant change in the fair value of the hedged asset or liability that is related to the hedged risk. Changes in the fair value of derivatives classified as cash flow hedging are accounted for in equity and are recorded in the Balance Sheet as gains or losses from revaluation of assets and liabilities. Ineffective part of hedging is posted directly to financial costs or revenues.

3.11 LEASE

The leased property is accounted for by including lease instalments in the costs. No assets were acquired through financial lease.

3.12 EQUITY

The registered capital of the parent company is reported at the amount recorded in the Commercial Register of the Municipal Court. Investments exceeding the registered capital are reported as other capital funds, which consist of non-monetary investments in excess of the registered capital.

In accordance with Act No. 77/1997 Coll., as amended, the company has created the following obligatory funds from profit. The funds include a reserve fund, a fund for cultural and social needs, and a founder's fund. Creating these funds and drawing on them is regulated by the State Enterprise Act, or Decree No. 310/1995 Coll. Besides these funds, the company can create under the same Act additional funds from available profit. In case of ANS CR, this involves a development fund and a fund for other social spending. The development fund serves as a source of financing for developing and supporting the company's investments. The fund for other social spending serves as a source of financing of benefits granted to employees under collective agreements, which are not regulated by Decree No. 310/1995 Coll.

3.13 TAX, INCOME TAX

Income tax costs are calculated using the statutory tax rate from the accounting profit increased or decreased by permanently or temporarily non-deductible costs and non-taxable revenues (e.g. creating and posting other provisions and allowances, entertainment costs, differences between book and tax depreciation, etc.). Additionally, items reducing the tax base (donations), deductions (tax losses, costs of research and development projects) and discounts on income tax are taken into account. Should the Financial Statements precede the final calculation of income tax, the entity creates an income tax provision.

Deferred tax

Deferred tax is calculated using the liability method, which means that the deferred tax will be applied at a later stage and therefore the income tax rate applicable in the period in which this tax is applied, is used in the calculation. If this rate is unknown, the tax rate applicable for the following reporting period is used. Temporary differences resulting in a deferred tax asset or liability (debt) are assessed in the company in a broader context where a deferred tax liability (debt) is always posted, but a deferred tax asset only with respect to the precautionary principle, which means after assessing its applicability.

Deferred tax is calculated from temporary differences between the tax and accounting base of assets and liabilities. In particular, the following temporary differences are considered:

- Differences between the book and tax carrying value of fixed assets (a book carrying value higher than the tax carrying value creates a deferred tax liability, and in the opposite case a deferred tax asset)
- Difference between tax and book allowances (a deferred tax asset is created if tax allowances are lower than book allowances and the tax allowances are expected to create up to 100% of the value of receivables)
- Tax loss for which the company assumes that it will offset it against future profits – a deferred tax receivable is created.
- Reserves
- Receivables and payables based on contractual penalties

3.14 USE OF ESTIMATES

The compilation of the financial statements requires company management to make estimates and assumptions that affect the reported amounts of assets and liabilities (debts) as at the balance sheet date and the reported amounts of revenues and costs during the reporting period. Company management has made these estimates and assumptions on the basis of all the relevant information available. Nevertheless, given the nature of estimates, the actual results in the future may differ from these estimates.

3.15 COSTS AND REVENUES ACCOUNTING

Revenues and costs are billed on the accrual basis, i.e. in the period they relate to.

3.16 SUBSIDIES

Subsidy is accounted for at the time of its reception or unquestionable entitlement to its reception. Subsidy received to cover operating costs is accounted for in other operating income. Subsidy received for the acquisition of fixed assets, including technical valuation, and for the payment of interest included in the acquisition cost of assets, reduces the acquisition cost or the costs of acquisition as such.

3.17 SUBSEQUENT EVENTS

The impact of events that occurred between the balance sheet date and the date of compiling the Financial Statements is reflected in the accounting reports if these events provide additional information about facts that existed as at the balance sheet date. Where important events occurred between the balance sheet date and the date of compiling the Financial Statements which take into account facts that occurred after the balance sheet date, the effects of these events are described in an Annex to the Financial Statements, but are not recorded in the Financial Statements.

3.18 CHANGES IN VALUATION, DEPRECIATION AND ACCOUNTING METHODS COMPARED TO THE PREVIOUS ACCOUNTING PERIOD

No changes occurred during fiscal year 2021 in the valuation, depreciation and accounting methods used compared to the previous accounting period.

4 ADDITIONAL INFORMATION ON THE BALANCE SHEET AND PROFIT & LOSS STATEMENT

4.1 FIXED ASSETS

4.1.1 Intangible fixed assets

(Data for the consolidation unit in CZK thousands)	Software	Other IFA	Total
ACQUISITION COST (AC)			
Balance as at 01/01/2021	3,808,522	136,296	3,944,818
Additions	81,402	3,700	85,102
Disposals	66,247	0	66,247
Balance as at 31/12/2021	3,823,677	139,996	3,963,673
ACCUMULATED DEPRECIATION			
Balance as at 01/01/2021	3,032,132	105,661	3,137,793
Depreciation 2021	288,656	11,044	299,700
Disposals	66,247	0	66,247
Asset transfers	2,211	0	2,211
Balance as at 31/12/2021	3,256,752	116,705	3,373,457
DEPRECIATED PRICE 2021 (DP)	566,925	23,291	590,216
DEPRECIATED PRICE 2020 (DP)	776,390	30,635	807,025

Significant items of intangible fixed assets

Item	Year of acquisition	AC (CZK thousands)	DP 2021 (CZK thousands)
ESUP IATCC system	2007	786,211	169,662
IDP system for IATCC	2007	600,320	133,363

The most significant additions to intangible assets in 2021 included the technical evaluation of air traffic control systems – IDP and ESUP, acquisition of SW Innova for A-SMGCS in the amount of 46,140K CZK.

Depreciation of intangible fixed assets posted in costs amounted to 299,700K CZK in 2021, while in 2020, an amount of 279,031K CZK was posted in costs.

Intangible fixed assets in progress and prepayments for intangible fixed assets – As at 31 December 2021, the total volume of intangible fixed assets in progress amounted to 1,248,779K CZK, while in 2020, it equalled 944,411K CZK. Intangible fixed assets in progress include especially ongoing investments in a new system for air traffic control TopSky and valuation of existing systems IDP – WALDO and ESUP. The operational transition to the TopSky system was completed as at 4 March 2022 and the system was put into operation.

4.1.2 Tangible fixed assets

(Data for the entities in the group in CZK thousands)	Lands and buildings	Machinery and equipment	Means of transport	Inventory	Other TFA	Total
ACQUISITION COST (AC)						
Balance as at 01/01/2021	3,108,455	4,012,091	559,929	961,752	181,344	8,823,571
Additions	3,930	87,522	220	6,864	8,347	106,883
Disposals	752	209,310	0	1,529	4,182	215,773
Balance as at 31/12/2021	3,111,633	3,890,303	560,149	967,087	185,509	8,714,681
ACCUMULATED DEPRECIATION						
Balance as at 01/01/2021	1,465,480	2,655,760	169,844	802,322	160,823	5,254,229
Depreciation 2021	83,566	204,304	36,108	21,522	9,115	354,615
DP of disposed TFA 2021	22	0	0	0	0	22
Movements of assets	752	208,204	0	1,529	4,175	214,659
Balance as at 31/12/2021	1,548,316	2,651,860	205,952	822,315	165,763	5,394,207
ALLOWANCES 2020			0	8,582		8,582
ALLOWANCES 2021			0	8,538		8,538
BOOK VALUE 2021 (DP)	1,563,317	1,238,443	354,197	136,234	19,746	3,311,937
BOOK VALUE 2020 (DP)	1,642,975	1,356,331	390,085	150,848	20,521	3,560,760

Significant items of tangible assets

Item	Year of acquisition	AC (CZK thousands)	DP 2021 (CZK thousands)
IATCC building, Jeneč	2005	935,109	508,158
Technical Block building, Prague airport	1992	526,026	269,212
Flight simulator A320	2007	290,855	67,092
L410 simulator	2018	246,911	187,765
Flight simulator B737 MAX	2020	243,925	225,224
Calibration aircraft B300 OK-ANS	2019	193,470	166,062
Calibration aircraft B300 OK-RLP	2020	192,039	175,236
Flight simulator A320ceo/neo	2019	182,383	167,184
Building of the Training Centre (CANI)	1983	148,632	68,734

The most significant increase in tangible assets in 2021 was the renewal of the technologies necessary for ensuring operation in connection with the TopSky project, including air traffic control centres worth 86,308K CZK.

Depreciation of tangible fixed assets posted to costs – Depreciation of TFA posted to costs amounted to 354,615K CZK in 2021 (and to 368,659K CZK in 2020).

The small tangible assets not included in the balance sheet totalled 87,386K CZK as at 31 December 2021.

Allowances for tangible fixed assets were created on the basis of asset stocktaking as at 31 December 2021 in the amount of the difference between the book value and the utility value of assets in the amount of 8,538K CZK.

TFA under construction – The volume of TFA under construction as at 31 December 2021 amounted to 208,871K CZK. It was mainly hardware for the TopSky project and related reconstruction of the IATCC operations halls.

4.1.3 Specified assets of the company

In accordance with the provisions of Act No. 77/1997 Coll., on State Enterprise, special asset items are recorded in the bookkeeping – specified assets. These are assets that are indispensable to the entity in terms of carrying out the activities for which the entity (company) was established. These assets are registered in the Commercial Register. The company may handle specified assets only with the approval of the founder. The following specified assets were therefore on the books of the company as at 31 December 2021:

NAME OF SPECIFIED ASSETS	Inventory number	Acquisition cost
IATCC Prague building	2016743	935,109
Operations building of the Technical Block at Prague airport	51062	526,026
Operations building with control tower at Ostrava Mošnov	2021876	114,216
Operations building with control tower at Karlovy Vary	54004	103,889
Operations building with control tower at Brno Tuřany	52012	98,123
Operations building at Prague South	51150	61,117
Operations building at Buchtův Hill	52011	40,170
Land under the building of the Technical Block at LKPR	2563	1,349
Land under the operations building with LKMT TWR	648	337
Land under the operations building with LKKV TWR	3882	261
Land under the operations building with LKTB TWR	2258	122
Land under the IATCC Prague building	569	45
Land under the operations building at Prague South	34890	2
Land under the operations building at Buchtův Hill	130	2
TOTAL ACQUISITION COST OF SPECIFIED ASSETS AS AT 31 DECEMBER 2021 (in CZK thousand)		1,880,768
TOTAL DEPRECIATED PRICE OF SPECIFIED ASSETS AS AT 31 DECEMBER 2020 (in CZK thousand)		1,018,677

4.1.4 Assets under financial and operating leases

None of the companies in the consolidation unit has leased fixed assets in the form of financial lease. Operating lease of passenger and utility cars is used. In 2021, 8,442K CZK was paid for operating leases, in 2020, such costs amounted to 11,969K CZK.

4.1.5 Fixed assets encumbered with the right of lien

The company has fixed assets encumbered with the right of lien. It is specifically the Flight Training Device (FTD) Boeing 737 – 800W, serial number MPS-C305. The value of the pledge agreement is 33 million CZK.

The Full Flight Simulator (FFS) A320 is also encumbered with the right of lien with liabilities hedged up to 150 million CZK.

Also, simulators for Boeing B737MAX and Airbus A320ceo/neo are also encumbered with the right of lien while the value of the pledge agreement is 20,760K EUR.

4.2 NON-CURRENT FINANCIAL ASSETS

Based on a public notarial deed dated 17 October 2014, FAB CE, Aviation Services, Ltd., was established with its registered office at Zgornji Brnik 130N, SI-4210 Brnik, Slovenia. Stakeholders in the company are providers of air navigation services from the Czech Republic, Slovakia, Austria, Hungary, Slovenia and Croatia, which are associated in the Central European functional airspace "FAB CE". The aim of the established company is to coordinate the actions of stakeholders in meeting the EU objectives under the Single European Sky (SES) policy. ANS CR holds a 1/6 stake in this service company.

OTHER LONG-TERM SECURITIES AND OWNERSHIP INTERESTS (CZK thousands)	Book value in CZK thousands as at 31 December			
	2020	Movements	Revaluation	2021
FAB CE, Aviation Services, Ltd.	391		-19	372

The companies in the group held no other long-term financial assets in 2021. Likewise, in 2021, the companies in the group had no records of long-term financial assets encumbered with the right of lien.

4.3 INVENTORIES

As at 31 December 2021, the total volume amounted to 46,011K CZK where the major part of the volume of inventories consisted of spare parts for security aviation technology and flight simulators. Provisions for inventories have been created in the amount of 7,867K CZK. These are mainly provisions for spare parts for L410 aircraft intended for sale.

4.4 RECEIVABLES

4.4.1 Short-term trade receivables

(CZK thousands)	2021	2020
TOTAL SHORT-TERM TRADE RECEIVABLES		
Gross receivables	448,761	485,565
Net receivables	401,812	439,786
TOTAL PROVISIONS	46,949	45,779

Data on receivables and created provisions for receivables from entities in the group following exclusion of mutual transactions.

4.4.2 State – tax receivables and receivables from social security and health insurance institutions

In 2021, in the Consolidated Financial Statements, the company had records of tax receivables from the state in the amount of 28,493K CZK, the largest amount being receivables based on surplus VAT deductions. The company records no receivables from social security and health insurance institutions.

4.4.3 Estimated receivables

Estimated receivables include, in particular, revenues from flight test services pertaining factually and temporally to 2021.

4.4.4 Sundry receivables

As at 31 December 2021, the total volume of other receivables amounted to 193,425K CZK. These particularly include receivables from grants to SESAR projects in the amount of 190,605K CZK. The amount of the receivable corresponds to the company's claims arising from participation, in particular, in the projects SESAR H 2020 and SESAR Deployment, while maintaining the given budgets for each project. The amount of these claims was adjusted in 2021 so as to be in line with the expected drawdown on the said subsidies. The amount of receivables has been reduced by the amount of received partial payments for projects.

Provisions amounting to 6,868K CZK have been created for sundry receivables.

4.5 CASH

CASH (CZK thousands)	2021	2020
Cash on hand	1,314	1,975
Cash at bank	834,184	1,106,402
TOTAL CASH	835,498	1,108,377

4.6 ACCRUALS OF ASSETS

ACCRUALS OF ASSETS (CZK thousands)	2021	2020
Deferred costs	65,185	64,913
Accrued income	12,573	

Deferred costs include mainly insurance payments, SW support, licence fees, and accrued charges for EUROCONTROL. These items have been posted as costs in the period where they belong factually and temporally. Accrued income consists especially of acknowledged claims for indemnity under accident insurance for Cessna aircraft.

4.7 EQUITY

4.7.1 Changes in equity

A summary of changes in equity is reported in a separate statement. Changes in equity occurred in 2021 only in connection with settling of profit/loss, drawing on funds from profit, and revaluation of ownership interests in relation to consolidation adjustments.

4.7.2 Registered capital

There were no changes in registered capital in 2021.

4.7.3 Equity items

In compliance with Act No. 77/1997 Coll., as amended, the company has created an obligatory reserve fund, a fund for cultural and social needs as well as founder's fund. Besides these funds, the company can create under the same Act additional funds from available profit. In case of ANS CR, this involves a development fund and a fund for other social spending.

4.8 RESERVES

In 2021, reserves were created for holiday unused in 2021 in the amount of 15,426K CZK, and a reserve for holiday unused in 2020 was accounted for.

As at 31 December 2021, reserves for costs pertaining to future training included in lump-sum payments for use of flight simulator L 410 have been reported in the total amount of 5,281K CZK.

4.9 PAYABLES

4.9.1 Trade payables

TRADE PAYABLES (CZK thousands)	2021	2020
LONG-TERM TRADE PAYABLES		
Long-term trade payables	33,409	43,850
SHORT-TERM TRADE PAYABLES		
Suppliers within the due date	166,408	173,582
Suppliers overdue	101	97
Other payables	27	4
TOTAL TRADE PAYABLES		
Trade payables	199,945	217,533

4.9.2 Payables – controlled or controlling entity

As at 31 December 2021, the company has a payable to the founder – Ministry of Transport – in the form of refundable borrowing amounting to 500 million CZK. This borrowing was provided to ensure the provision of air navigation services, including terminal navigation services, in the airspace of the Czech Republic in 2020 and will be paid in annual instalments of 100 million CZK starting from 30 September 2027.

4.9.3 Payables to the state and social security and health insurance institutions

PAYABLES TO SOCIAL SECURITY AND HEALTH INSURANCE INSTITUTIONS (CZK thousands)	2021		2020	
	Total	- due	Total	- due
SOCIAL SECURITY AND HEALTH INSURANCE				
Social security costs	20,026	0	19,025	0
Health insurance costs	15,736	0	15,616	0
Total social security and health insurance	35,762	0	34,641	0
TAX PAYABLES				
Income tax on dependent activities	16,228	0	23,800	0
Corporate income tax	0	0	0	0
Value added tax	0	0	0	0
Other tax	6	0	5	0
Total tax payables	16,234	0	23,805	0
TOTAL PAYABLES TO THE STATE AND SOCIAL SECURITY AND HEALTH INSURANCE INSTITUTIONS	51,996	0	58,446	0

The payables to social security and health insurance institutions as at 31 December 2021 consist of statutory contributions resulting from the payment of wages for December 2021 and are therefore payables within the due date. Also, payable income tax on dependent activities is related to the payment of wages for December 2021.

Balances of account 346 are reported in balance sheet item C.II.2.8.5 – Clearing of subsidies that are accounted for the benefit of other operating income – or as a reduction in the purchase price of the subsidised property in factual and temporal relation. As at 31 December 2021, the aggregate balance of these accounts amounted to 19,476K CZK.

4.9.4 Advances received

ADVANCES RECEIVED (CZK thousands)	2021	2020
Long-term advances received	0	16,175
Short-term advances received	23,553	15,810
TOTAL ADVANCES RECEIVED	23,553	31,985

4.9.5 Estimated payables

The most significant part of estimated payables is comprised of estimated payables for bonuses in 2020 and 2021 resulting from collective agreements and, where applicable, employment contracts with employees, which, in view of the financial situation of the company, were not paid by the end of 2021 and are expected to be paid gradually in the upcoming years. They are thus divided into long-term and short-term payables according to the expected maturity.

Furthermore, these are estimated payables for ordinary operating costs of 2021, where invoices for such services were not received in 2021. These are namely estimated payables for energy consumption, system and equipment maintenance servicing, data and telecommunication services, and facility security.

In addition to personnel costs, long-term estimated payables are created for the state supervision services provided by CAA, where at the time of preparation of financial statements, an agreement on maturity and the total amount of payments for these services was reached. These estimated payables are recognised as long-term as per the agreed maturity.

4.9.6 Other payables and payables to employees

Payables to employees recorded as at 31 December 2021 ensue from the employees' entitlement to payment of wages for December 2021, which is performed in January of the next year; therefore, it is a payable within the due date. Other payables include, in particular, clearing of pension and life insurance for employees. Payables to employees due to bonuses in 2020 and 2021 resulting from collective agreements and employment contracts with employees which were not paid until the end of 2021 are recorded in the financial statements for 2021 as estimated payables.

4.10 PAYABLES TO CREDIT INSTITUTIONS

Loans in the consolidation unit have the following structure:

(CZK thousands)	Loan framework	Monthly amount of principal payment	Principal payment at 31 December 2021	Balance at 31 December 2021	Interest expense in 2021	Interest rate	Maturity of loan at date
LONG-TERM BANK LOANS							
KB, a.s. – investment loan in EUR	35,300	739	0	34,871		0.52% p.a.	IV 27
equivalent in CZK	877,558		0	866,890	144		
ČSOB, a.s. – investment loan in CZK	344,000	*	0	335,457	400	0.90% p.a.	IV 27
ČSOB, a.s. – investment loan in EUR	12,560	*	0	12,401		0.42% p.a.	IV 27
equivalent in CZK	312,242		0	308,287	291		
ČSOB, a.s. – loan on FFS L410 flight simulator in CZK	148,762	5,357	107,140	41,622	646	1.16% p.a.	XII. 23
ČSOB, a.s. – loan on FTD B737NG flight simulator in CZK	33,000	1,178	28,272	4,728	82	1.06% p.a.	XII. 22
KB, a.s. – loan on B737MAX, A320ceo/neo simulators in EUR	17,300	529	1,058	15,873		1.85% p.a.	IX. 25
equivalent in CZK	430,078	13,153	26,306	394,597	7,278		
TOTAL LOANS IN CZK	2,145,640		161,718	1,951,581	8,841		

* It will be calculated within 10 days after the end of the drawdown period.

Interest capitalised to assets amounted to 6,874K CZK in 2021

Due to the fact that the foreign currency loan from KB a.s. has been granted for the acquisition of an air traffic control system, where revenues from the provision of these services are mostly generated in EUR, the hedge accounting has been used in connection with this loan to ensure future cash flows with a regular evaluation of hedge effectiveness. The exchange rate differences from loan revaluation were thus posted through valuation differences in equity.

4.11 ACCRUALS OF LIABILITIES

ACCRUALS OF LIABILITIES (CZK thousands)	2021	2020
Accrued expenses	0	0
Deferred income	34,668	57,895
TOTAL ACCRUALS OF LIABILITIES	34,668	57,895

Deferred income includes mainly courses and training sessions for pilots and flight staff carried out in the following year. These items have been posted as revenues in the period where they belong factually and temporally.

4.12 DERIVATIVES

As at 31 December 2021, the company had a forward to secure the receivable for flight services billed by EUROCONTROL for November 2021. The forward was settled in January 2022 following the maturity of the given receivables.

Gains and losses realised from the revaluation of derivatives at fair value have been accounted for in profit/loss of the current period. The positive fair value of the derivative as at 31 December 2021 is reported in other receivables.

The following table gives an overview of nominal amounts and positive and negative fair values of open derivatives as at 31 December 2021:

DERIVATIVES (CZK thousands)	2021		2020	
	Fair value		Fair value	
	Positive	Negative	Positive	Negative
Forwards	2,597	0	0	-2,569

4.13 INCOME TAX

INCOME TAX (CZK thousands)	2021	2020
Due income tax	-5,700	915
Deferred tax	-45,919	-152,384
TOTAL TAX COSTS	-51,619	-151,469

4.14 DEFERRED TAX

The income tax rate in force during the period in which the deferred tax asset or liability is claimed has been used to calculate the deferred tax. Deferred tax asset/liability is reported in the balance sheet as part of long-term payables/receivables.

Deferred tax (CZK thousands)	2021	2020
DP of fixed assets (TDP - ADP)	-20,352	-89,723
Adjustments to fixed assets	1,622	1,631
Adjustments to receivables	2,377	5,161
Adjustment to inventories	1,495	1,391
Revaluation of inventories – acquisition	-2,272	-2,274
Reserves beyond the scope of Act No. 593/1992 Coll.	3,935	3,242
Estimated payables	17,271	19,729
Receivables based on contractual penalties	-21	-578
Tax loss from previous years	47,416	66,973
Deferred tax from revaluation to equity	-14,395	-5,330
Net deferred tax	37,076	222

4.15 OFF-BALANCE SHEET ASSETS AND DEBTS

As at 31 December 2021, the entities in the group had no significant off-balance sheet assets and debts.

4.16 SALES OF OWN PRODUCTS AND SERVICES

Revenue item (CZK thousands)	Revenues from domestic customers		Revenues from foreign customers		Total revenues	
	2021	2020	2021	2020	2021	2020
Air navigation services	115,043	80,025	1,615,339	1,425,977	1,730,382	1,506,002
Of which – en-route navigation services	37,350	27,215	1,445,964	1,268,761	1,483,314	1,295,976
– terminal navigation services	75,910	51,425	169,004	156,627	244,914	208,052
– training flights	1,783	1,385	371	589	2,154	1,974
Other income	138,817	122,372	133,568	168,415	272,235	290,787
TOTAL SALES	253,860	202,397	1,748,907	1,594,392	2,002,767	1,796,789

5 EMPLOYEES, COMPANY MANAGEMENT AND GOVERNING BODY

The average number of employees and managers of the company as well as personnel costs for the accounting periods 2021 and 2020 are as follows:

(CZK thousands)	Employees		Governing and supervisory bodies, company management		Total	
	2021	2020	2021	2020	2021	2020
Number (FTE)	973	1,057	14 + 11	19 + 11	987 + 11	1,076 + 11
Labour costs + bonuses	1,099,183	1,417,443	57,957	79,936	1,157,140	1,497,379
Insurance premiums for SS and HI	340,890	434,523	12,415	16,182	353,305	450,705
Other personnel costs	26,009	41,775	1,762	2,360	27,771	44,135
TOTAL PERSONNEL COSTS	1,466,082	1,893,741	72,134	98,478	1,538,216	1,992,219

The parent company's management consists of the Director General, executive directors of departments, directors of divisions, and deputy directors of sections. Pursuant to the collective agreement, capital insurance and life insurance have been paid and contributions to supplementary pension insurance have been provided for company's managers. The managers of the company have been provided with business vehicles also for private purposes.

The Supervisory Board of the parent company has 6 members, out of which 4 are appointed by the founder, and 2 are elected from among employees. Members of the Board are remunerated for performance of their duties in the Supervisory Board. The Audit Committee has 3 members. Audit Committee members are remunerated for performance of their duties in the Committee.

The management of subsidiaries is comprised of the Managing Director and company's management. The supervisory bodies of the company are comprised of members of the Supervisory Board. Members of the company's Supervisory Board are remunerated for their functions.

6 INFORMATION ON RELATED ENTITIES

Air Navigation Services of the Czech Republic (hereinafter the "company") is a state-owned company. The founder of the company is the Czech Republic – Ministry of Transport, nábřeží Ludvíka Svobody 1222/12, Postal Code 110 15 Prague 1.

Affiliated entities include, aside companies with an ownership interest of the company, also companies with ownership interests of the Czech Republic through the state administration authorities (Ministry). All transactions between the company and its related entities have been conducted under standard market conditions.

The volume of company's costs from transactions with related entities in 2021 amounted to 192,649K CZK. Suppliers – related entities as per the definition – include, in particular, the Czech Hydrometeorological Institute, Civil Aviation Authority of the Czech Republic, Letiště Praha a.s., FAB CE Ltd., the Institute of Aviation Health, and the Czech Telecommunication Office. The total volume of the company's liabilities (solely within the due date) to the related entities mentioned above as at 31 December 2021, including estimated liabilities, reached the amount of CZK 154,870 thousand.

The volume of company's revenues from transactions with related entities in 2021 amounted to 56,675K CZK. Suppliers – related entities as per the definition – include, in particular, the Ministry of Transport of the Czech Republic, the Ministry of

Defence of the Czech Republic, the Czech Hydrometeorological Institute, and Civil Aviation Authority of the Czech Republic. The total amount of the company's receivables from the related entities mentioned above as at 31 December 2021 was 1,076K CZK.

In 2021, ANS CR was fully compensated from the state budget for the costs incurred by the company in connection with the provision of services to flights exempt from charges in the total amount of 57,521K CZK. This compensation is provided to ANS providers in compliance with Commission Regulation (EC) No. 1794/2006 of 6 December 2006 currently replaced by Commission Implementing Regulation (EU) 2019/317 of 11 February 2019 laying down a performance and charging scheme in the single European sky and in compliance with Czech Government Resolution No. 1404 of 2 November 2005.

7 SUBSIDIES

The state-owned company ANS CR participates in development programmes in ATM. One of these programmes is the SESAR Deployment Programme, in which selected projects are co-financed by the European Union through the European Climate, Infrastructure and Environment Executive Agency (CINEA) by means of grants. These grant projects are aimed at introducing new technologies in the sector of air navigation services and co-financing of investments thus forms an essential part.

In addition, the company participates in the SESAR H 2020 programmes. The subsidy is in these cases granted to cover the operating costs incurred by the company in connection with the subject matter of the subsidy.

(EUR thousands)	Total estimated amount of subsidy to be drawn by ANS CR
Subsidies from programmes SESAR 2020 Wave 2 and 3	547
Subsidies from programmes SESAR Deployment	9,678

The balances of receivables from subsidies are set out in clause 4.4.4. of the Annex. The amount of the subsidies which are expected to be drawn and which are yet to be spent in accordance with the terms of individual subsidy programmes corresponds to the amount of payables detailed in clause 4.9.2. of the Annex. The amount of revenues posted in 2021 in respect to the subsidies is detailed in clause 9 of the Annex. The posted amount of eligible subsidies was adjusted so as to be in line with the expected drawdown on subsidies in 2021. In 2020, two grant agreements under TAČR were signed; the total maximum amount of these subsidies is 6,633K CZK.

Revenues from assistance for entities affected by the COVID-19 pandemic have been posted in other operating income. In 2021, the subsidiary CATC drew on the programmes Antivirus (MoLSA), Covid – Rent (MoIT) and COVID 2021 in support of entrepreneurs (MoIT). The total amount of these subsidies posted in revenues of 2021 was 9,713K CZK.

8 RESEARCH AND DEVELOPMENT COSTS

ANS CR is a member of the European SESAR Joint Undertaking (SJU) within the B4 consortium, which deals with ATM R&D projects. ANS CR participates in part in some selected projects led by SJU under the SESAR 2020 programme. The role of ANS CR in these R&D projects is only as one of the contributors to the project, led always by a designated coordinator from among other SJU members. The role of ANS CR in these projects rests primarily with providing expert reviews, preparation of analyses as need be, provision of own operations data and also coordination of third parties, which participate in projects from their professional point of view through ANS CR. Given the involvement of ANS CR experts, whose primary activity is not research and development, and the fact that ANS CR does not have any site directly involved in ATM research and development, we consider the participation of ANS CR in SESAR only as a partial contribution to the SESAR programme.

9 SIGNIFICANT ITEMS IN THE PROFIT AND LOSS STATEMENT

Other operating revenues reached a total volume of CZK 93,064 thousand in 2021. In 2020, the said income amounted to 86,688K CZK. The most significant item in other operating income is the compensation for costs of charge-free flights in the amount of 57,521K CZK and revenues from insurance premiums for repairs of Cessna aircraft. A proportional part of the subsidies granted under SESAR projects in the amount of 3,135K CZK has been posted in other operating income.

Other operating costs equalled 252,741K CZK in 2021 and 253,495K CZK in 2020. The structure of other operating costs does not change year on year. The most significant item in other operating costs is the payment of the Czech Republic's membership fee to the budget of the European Organisation for the Safety of Air Navigation (EUROCONTROL) in the amount of 159,297K CZK, the refund of costs of the national supervisory authority in the amount of 49,547K CZK and, last but not least, the costs of property and liability insurance in the amount of 15,806K CZK.

10 INFORMATION ON AUDIT FEES

Grant Thornton Audit s.r.o. (formerly Fučík & partneři s.r.o.) has been providing auditing services to ANS CR and the subsidiary CATC since 2020. The costs of auditing and consulting services were as follows:

INFORMATION ON AUDIT FEES (CZK thousands)	2021	2020
Audit of financial statements	565	211
Consulting services	17	403

11 EVENTS AFTER THE BALANCE SHEET DATE

On 4 March 2022, the new TopSky air traffic control system was fully deployed with an ambition to meet high technical and capacity requirements expected from control systems in the 21st century. It will also fulfil the requirements of the European Commission under the Single European Sky programme for technical competence and related certification of European air navigation service providers.

In March 2022, the EC Performance Review Body (PRB) assessed the Performance Plan of the Czech Republic for RP3 as meeting Europe-wide targets and endorsed it for approval. The Performance Plan of the Czech Republic for the third reference period thus lays robust grounds for further development of the company in the coming years.

The war conflict in Ukraine began in February 2022. This fact and the subsequently adopted economic and political sanctions against Russia will have a significant impact on the civil aviation sector. The impact on the situation of the consolidation unit will be monitored and evaluated on an ongoing basis. A slower return to air traffic back to the situation before the COVID-19 epidemic as well as effects on the financial situation of the group as a result of the introduced sanctions can be expected.

The company management considered the potential impacts of the above facts on its activities and business and concluded that they did not have a significant impact on the assumption that the company is a going concern. In view of this, the Consolidated Financial Statements as at 31 December 2021 were prepared provided that the companies in the consolidation unit are able to continue in their activities.

12 OFF-BALANCE SHEET LIABILITIES

Litigations – As at 31 December 2021, no litigations have been brought against the companies in the consolidation unit that could have a significant impact on the Financial Statements.

Environmental commitments – All the standards related to environmental protection are adhered to and no proceedings pertaining to environmental protection have been initiated against the companies in the consolidation unit that could have a significant impact on the Financial Statements.

Bank guarantees provided – In 2021, the company provided guarantees to foreign customers in relation to commercial activities of the Czech Air Navigation Institute and the calibration squadron. Overview of granted guarantees:

BANK GUARANTEE FOR	Guarantee validity	Amount and currency
Tanzania Civil Aviation Authority	01/02/2019 – 30/11/2021	68,400 USD
Air Navigation Services Agency of Kosovo	14/01/2020 – 20/02/2021	4,118 EUR
Sakaaeronavigatsia Ltd., Georgia	18/05/2021 – 31/01/2022	2,815 EUR
Air Navigation Services Agency of Kosovo	28/05/2021 – 27/07/2022	4,156 EUR

13 CASH FLOW OVERVIEW

Cash flow overview has been compiled by means of an indirect method and is detailed in a separate report. Cash is considered as cash on hand, including security printed items and cash on bank accounts, including current account overdrafts.

Report on the Company’s Performance in 2021

compiled according to the the International Accounting Standards (IFRS)

INDIVIDUAL STATEMENT OF FINANCIAL SITUATION

for the year ending at 31 December 2021 (CZK thousands)

		Year ending at	
		31 December 2021	31 December 2011
	FIXED ASSETS		
3.1.2.	Property, plant and equipment (tangible assets)	2,843,708	2,893,472
	of which: lands, buildings and equipment in use	2,634,837	2,834,662
	of which: unfinished tangible assets	208,871	58,810
3.1.1.	Intangible assets	1,838,752	1,751,005
	of which: intangible assets in use	589,973	806,594
	of which: unfinished intangible assets	1,248,779	944,411
3.1.3.	Investments in subsidiaries and entities in the group	280,784	280,784
3.1.4.	Deferred tax receivable	21,345	
3.1.	TOTAL FIXED ASSETS	4,984,589	4,925,261
	CURRENT ASSETS		
3.2.	Inventories	12,572	13,696
3.3.	Trade and other receivables	887,141	998,400
3.4.	Cash on hand and bank accounts	689,282	912,193
	TOTAL CURRENT ASSETS	1,588,995	1,924,289
	TOTAL ASSETS	6,573,584	6,849,550
	EQUITY,		
3.6.2.	Registered, capital	1,087,503	1,087,503
3.6.3.	Reserve, fund,		320,000
	Other, equity, accounts,	4,269,245	4,230,597
	Profit/loss, (current, year, +, previous, years)	-1,655,051	-1,177,449
3.6.	TOTAL, EQUITY	3,701,697	4,460,651
	LONG-TERM, LIABILITIES		
3.7.1.	Deferred, tax, liability		10,371
3.8.	Other, long-term, liabilities	2,199,825	1,616,053
	TOTAL, LONG-TERM, LIABILITIES	2,199,825	1,626,424
	SHORT-TERM, LIABILITIES		
3.9.	Trade, and, other, payables	672,062	762,475
	TOTAL, EQUITY, AND, LIABILITIES	6,573,584	6,849,550

INDIVIDUAL STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE RESULT

for year ending at 31 December 2021 (CZK thousands)

		Year ending at	
		31 December 2021	31 December 2011
4.2.1.	Revenues	1,846,662	1,660,032
4.1.1.	Consumption of material and services	-437,849	-473,712
4.1.2.	Personnel costs	-1,473,217	-1,923,243
3.1.	Depreciation and amortization	-604,841	-593,927
4.2.1.	Other operating revenues	82,963	62,766
4.1.3.	Other operating costs	-253,614	-261,439
	Operating profit and loss	-839,896	-1,529,523
4.2.2.	Financial revenues	15,541	71,179
4.1.4.	Financial costs	-19,727	-49,595
	Financial profit and loss	-4,186	21,584
	Profit and loss before tax	-844,082	-1,507,939
3.7.	Income tax	46,480	130,887
	Profit and loss for the period	-797,602	-1,377,052
	Total comprehensive result - items reclassified till profit and loss		
3.8.1.	Cash flow procurement	47,714	28,049
	Deferred tax	-9,066	-5,330
	Other comprehensive result for the period after tax	38,648	22,719
	Total comprehensive result for the period	-758,954	-1,354,333

INDIVIDUAL CASH FLOW STATEMENT

for year ending at 31 December 2021 (CZK thousands)

	Year ending at	
	31 December 2021	31 December 2011
Cash flow from operating activities		
Income from customers	1,912,114	1,728,643
Payments to suppliers	-630,326	-678,770
Payments to employees and deductions for employees	-1,508,839	-1,831,133
Cash flow generated from operations	-227,051	-781,260
Income tax paid	17,103	10,163
Interests received	3,511	1,591
Net cash resources from operating activities	-206,437	-769,506
Cash flows from investing activities		
Expenses connected to acquiring fixed assets	-679,556	-701,072
Income connected to selling fixed assets	828	3,538
Net cash flows from investing activities	-678,728	-697,534
Cash flows from financing activities		
Change in long-term liabilities (loans + grants)	591,286	1,419,348
Transfer of cash from the founder's fund to the founder	0	0
Net cash flows from financing activities	591,286	1,419,348
Net increase in cash and cash equivalents	-293,879	-47,692
Cash and cash equivalents at the beginning of the period	912,193	959,885
Cash and cash equivalents at the end of the period	618,314	912,193

INDIVIDUAL STATEMENT OF CHANGES IN EQUITY

for the year ending at 31 December 2021 (CZK thousands)

	Registered capital	Reserve fund	Founder's fund	Other capital funds, Development fund	Retained earnings	Total
As at 01/01/2020	1,087,503	320,000	0		280,426	5,895,807
Contribution to the reserve fund						0
Contribution to the founder's fund						0
Use of the fund by the founder						0
Other comprehensive income						22,719
Other use of retained earnings					-80,823	-80,823
Profit/loss of the accounting period					-1,377,052	-1,377,052
As at 31/12/2020	1,087,503	320,000	0		-1,177,449	4,460,651
Contribution to the reserve fund		-320,000			320,000	0
Contribution to the founder's fund						0
Use of the fund by the founder						0
Other comprehensive income						38,648
Other use of retained earnings from previous years						0
Profit/loss of the accounting period					-797,602	-797,602
As at 31/12/2021	1,087,503	0	0		-1,655,051	3,701,697

Smartwings/Czech Airlines – The Czech low-cost air carrier uses Václav Havel Airport Prague as its main base. Prior to the COVID-19 pandemic, it operated flights from twelve bases in seven countries and scheduled lines to more than 80 destinations. Since 2017, it has also been the majority owner of Czech Airlines.



Annex to the Report on the Company's Performance in 2021

(Compiled in accordance with international accounting standards – IFRS)

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1 GENERAL INFORMATION

1.1 ESTABLISHMENT AND DESCRIPTION OF THE COMPANY

Entity name:	Air Navigation Services of the Czech Republic
Legal form:	State-owned company
Abbreviated name:	ANS CR
Date of establishment:	ANS CR was established by Decision of the Minister of Transport dated 28 December 1994 No. 4283/1994-KM on 1 January 1995. This Decision transferred all assets that had been managed by the semi-budgetary organization, ANS CR, up until 31 December 1994, including all rights and obligations, to the company. The state-owned company is registered in the Commercial Register maintained by the Municipal Court in Prague, Section A, File 10771.
Headquarters:	Navigační 787, 252 61 Jeneč
Identification No.:	49710371
Main objects of business activities:	Air navigation services, including terminal navigation services, in the airspace of the Czech Republic and at airports Praha-Ruzyně, Brno-Tuřany, Ostrava-Mošnov, and Karlovy Vary
Registered capital:	1,087,503,000 CZK
Employees:	Average recalculated headcount as at 31 December 2021 was 936 employees.

1.2 MAIN OWNERS OF THE COMPANY

Air Navigation Services of the Czech Republic is a state-owned company. The position and legal status of the state-owned company are governed by Act No. 77/1997 Coll. The founder of the company is the state. The Ministry of Transport, whose responsibility includes the core business of the company, acts in the name of the founder.

1.3 CHANGES AND AMENDMENTS TO THE COMMERCIAL REGISTER DURING THE LAST ACCOUNTING PERIOD

There were no changes or amendments to the record in the Commercial Register in 2021.

1.4 ORGANISATIONAL STRUCTURE OF THE COMPANY

The head of the company is the Director General, who is the authorised representative of the company. There are three supporting departments directly subordinate to the Director General. The company is further organisationally divided into three specialised sections each headed by a director. Specialised units are further divided into specialised divisions and specialised sections. As at 31 December 2021, the total number of these organisational units was 8.

The company has no organisational units abroad.

1.5 GOVERNING AND SUPERVISORY AUTHORITIES OF THE COMPANY AS AT 31 DECEMBER 2021

Company management – governing authorities

Director General:	Mr. Jan Klas
First Deputy Director General:	Mr. Petr Fajtl
Second Deputy Director General:	Mr. Radovan Okenka, M.Sc.

Supervisory Board

Chairman:	Mrs. Magdalena Faltýsková
Deputy Chairman:	Mr. Zdeněk Jelínek
Members:	Major General Mr. Petr Hromek
	Mr. Aleš Kořínek
	Mr. Stanislav Pleninger, Ph.D.
	Mr. Vít Soukup

Pursuant to the provisions of Section 44c(1)(c) of an amendment to Act No. 93/2009 Coll., on Auditors, as amended, ANS CR has the legal obligation to establish an Audit Committee for ANS CR. The Committee has three members appointed by the governing authorities of ANS CR on the recommendation of the Supervisory Board dated 28 November 2016.

Audit Committee

Chairman:	Mr. Ivan Hayek
Deputy Chairman:	Mrs. Eva Dekastellová
Member:	Mrs. Eva Ondřichová

2 OVERVIEW OF BASIC ACCOUNTING RULES AND PROCEDURES

ANS CR has compiled this “Report on economic performance in 2021” in accordance with Article 12 of Regulation (EC) No. 550/2004 of 10 March 2004, on the provision of air navigation services in the single European sky, and, regarding the fact that the company accounting is conducted according to the national accounting standards, in accordance with Act No. 563/1991 Coll., on Accounting, as amended. The Report has been compiled in compliance with the above Regulation with the aim to achieve maximum, not full, compliance with the International Financial Reporting Standards (IFRS) governed by the European Community law.

The Report has been prepared on the basis of historical acquisition prices. The basic accounting rules and procedures are detailed below. The Report on economic performance has been compiled on the assumption that the entity is a going concern. The amounts mentioned in this Report are shown in Czech crowns (CZK) and the balances are rounded to the nearest thousand.

2.1 INTANGIBLE ASSETS

Intangible assets are recorded at acquisition cost net of provisions. Intangible assets with acquisition costs less than 60K CZK have been posted in costs. Intangible assets with acquisition costs more than 60K CZK and with a useful life longer than one year are depreciated linearly monthly without interruption, while the duration of depreciation is based on the estimated lifetime. No allowances for intangible assets were created in 2021.

Estimated lifetime for the defined groups of intangible assets in years:

Software	4–10 years
Other intangible assets	3–6 years

2.2 PROPERTY, PLANT AND EQUIPMENT

Lands are valued at acquisition cost and are not depreciated. Buildings and pieces of equipment are valued at acquisition cost net of provisions. Depreciation is based on the recommendations of the “Principles for Establishing the Cost Base for Route Facility Charges and the Calculation of the Unit Rates” issued by the European Organisation for the Safety of Air Navigation and completed strictly on a straight-line, linear basis, taking into account the expected service and economic life of each asset. No allowances for long-term fixed assets were created in 2021.

Estimated lifetime for property, plant and equipment in years:

Land	Not depreciated
Buildings and structures	30–50 years
Machinery and equipment	4–15 years
Of which – electronic and communications equipment	4–10 years
Of which – energy and other equipment	7–15 years
Masts, towers constructions, lines	20 years
Means of transport	5–20 years
Of which – passenger cars	5 years
Of which – aircraft	10–20 years
Furniture and fixtures	3–10 years
Of which – furniture	10 years
Of which – office equipment, computer equipment and accessories	3–10 years

2.3 INVESTMENTS IN SUBSIDIARIES AND ENTITIES IN THE GROUP

Ownership interests in controlled and managed entities and ownership interests in accounting entities under substantial influence are valued at acquisition cost. Upon sale or other disposals, they are valued using the weighted arithmetic mean method. Allowances are created in the case of a temporary reduction in the value of long-term financial assets. No allowances for long-term financial assets were created in 2021.

2.4 CASH ON HAND AND BANK ACCOUNTS

This reporting group consists of security printed items, cash, current accounts in banks and short-term financial deposits. Funds in bank accounts, cash and cash equivalents in foreign currency are recalculated to Czech crowns by exchange rate valid as at the balance sheet date.

2.5 INVENTORIES

Purchased inventories consisting of material and spare parts are valued at acquisition cost or their net realisable value, whichever is lower. Upon stock removal, the weighted arithmetic mean method is used. The acquisition costs of inventories includes costs for their acquisition, including costs related to their acquisition.

2.6 RECEIVABLES

Receivables are initially recognised at nominal value and are subsequently reported net of any allowances. The value of bad debts is reduced using allowances, which were made for all receivables as follows:

- 100% for receivables with a due date of 31 December 2020 and older
- 50% for receivables with a due date in the period from 1 January 2021 to 30 June 2021

Allowances for receivables from entities in bankruptcy proceedings are recorded separately.

2.7 LOANS

Short-term and long-term loans are posted in their nominal value. Certain long-term loans whose repayment date falls no later than one year from the date of the Financial Statements are also considered short-term loans. Any respective passive balance on the current account is reported in the Balance Sheet also as a short-term bank loan. Long-term loans have been discounted to their current value.

2.8 TRADE PAYABLES

Trade payables are reported at their nominal value, in the case of long-term trade payables, they are discounted to their current value.

2.9 CONVERSION OF DATA IN FOREIGN CURRENCIES INTO CZECH CURRENCY

Assets and liabilities denominated in foreign currencies are converted into Czech crowns at the time of the transaction using the daily exchange rate of CNB and are valued at the end of the balance sheet date using the valid exchange rate declared by the Czech National Bank as at 31 December. Exchange rate gains and losses resulting from settling these transactions and from the valuation of monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are presented in the Profit and Loss Statement.

2.10 DERIVATIVES

During 2021, the company had financial derivatives to hedge exchange rate risks. As at the balance sheet date, the derivatives are valued at their fair value. The manner for posting gains or losses from valuing derivatives at their fair value depends on whether the derivative is designated as a hedging instrument and on the nature of the item being hedged.

2.11 LEASE – IFRS 16

Due to the evaluation of the significance of the costs of lease contracts and their duration, lease payments paid by the company are posted in profit/loss as costs on a straight-line basis over the term of the lease and no rights to use these assets have been posted in the Balance Sheet.

Leaseback was recorded in accordance with IFRS 16.

2.12 EQUITY

The registered capital of the company is reported at the amount recorded in the Commercial Register of the Municipal Court. Investments exceeding the registered capital are reported as other capital funds, which consist of non-monetary investments in excess of the registered capital. The company has created a statutory reserve fund. In addition, the company creates funds from profit based on internal regulations.

2.13 INCOME TAX

Income tax consists of current tax and deferred tax. Current tax includes the tax calculated from a tax base using tax rate for the current year and any adjustments to tax payable in respect to previous years.

Deferred tax is calculated from temporary differences between the book value of assets and liabilities and their tax base used to calculate taxable income. Deferred tax liabilities are generally acknowledged for all taxable temporary differences. Deferred tax liabilities are generally acknowledged for all deductible temporary differences to the extent that it is probable that taxable profit against which deductible temporary differences can be utilised will be available.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax rates that have been enacted or declared as at the balance sheet date.

2.14 COSTS AND REVENUES ACCOUNTING

Revenues and costs are billed on the accrual basis, i.e. in the period they relate to. The costs for providing air navigation services include costs of the daily operation of air traffic control sites, costs of operation and maintenance of surveillance infrastructure, costs of operation and maintenance of telecommunications equipment, costs of providing aeronautical information services, costs of training and further education of employees, costs of air meteorological service, administrative costs, and costs of membership in EUROCONTROL.

Revenues from providing air navigation services are accounted for on the basis of unit prices set according to internationally applicable principles. Unit prices are set for a period of one calendar year. Revenues from providing air navigation services are posted as income on a monthly basis with respect to the volume of services provided. Billing of air navigation services in the area of terminal navigation services is done by the company. Billing of provided air navigation services in the area of en-route navigation services is done by EUROCONTROL for the company.

2.15 EMPLOYEE BENEFITS

The company makes regular contributions to the state budget for basic pension insurance. These contributions are derived from the volume of wages paid and entered in the company's costs in the same period as the related salary basis.

On the basis of signed collective agreements, the company further contributes to supplementary pension insurance of employees to pension funds managed by commercial entities. The contributions are defined by the provisions of the collective agreement. Based also on the collective agreements, the company contributes to the private life insurance of employees and pays for their capital insurance.

2.16 USE OF ESTIMATES

The compilation of this Report requires company management to make estimates and assumptions that affect the reported amounts of assets and liabilities (debts) as at 31 December and the reported amounts of revenues and costs during the reporting period. Company management has made these estimates and assumptions on the basis of all the relevant information available. Nevertheless, given the nature of estimates, the actual results in the future may differ from these estimates.

2.17 SUBSIDIES

Subsidies are reported in accordance with IAS 20. State subsidies are reported if there is a reasonable certainty that the requirements for subsidies are to be met and the subsidies are to be received.

State subsidies are included systematically in the Profit and Loss Statement during periods when the related costs to be compensated for by the subsidies are posted. With regard to subsidies for the purchase of fixed assets, the valuation of assets is decreased by the amount of the subsidy granted.

Subsidies are provided from the European Commission resources arising from participation in the implementation of projects related to the development of air navigation services. The main European initiative aimed at the development of air navigation services is the initiative of Single European Sky ATM Research (SESAR).

2.18 SUBSEQUENT EVENTS

The impact of events that occurred between the balance sheet date and 31 December is reflected in financial reports if these events provide additional information about facts that existed as at the balance sheet date. Where important events occurred between the balance sheet date and 31 December which take into account the facts that occurred after the balance sheet date, the effects of these events are described in this report, but are not accounted for in the financial statements.

2.19 CHANGES IN VALUATION, DEPRECIATION AND ACCOUNTING METHODS COMPARED TO THE PREVIOUS ACCOUNTING PERIOD

No changes occurred during fiscal year 2021 in the valuation, depreciation and accounting methods used compared to the previous accounting period.

3 ADDITIONAL INFORMATION TO THE REPORT ON ECONOMIC PERFORMANCE

3.1 FIXED ASSETS

3.1.1 Intangible assets (IA)

2021 (CZK thousands)	Software	Other IFA	Total
ACQUISITION COST (AC)			
Balance as at 01/01/2021	3,799,550	135,657	3,935,207
Additions	81,402	3,700	85,102
Disposals	66,247	0	66,247
Balance as at 31/12/2021	3,814,705	139,357	3,954,062
ACCUMULATED DEPRECIATION			
Balance as at 01/01/2021	3,023,429	105,184	3,128,613
Depreciation 2021	288,535	10,977	299,512
Disposals	66,247	0	66,247
Transfers	2,211	0	2,211
Balance as at 31/12/2021	3,247,928	116,161	3,364,089
DEPRECIATED PRICE 2021 (DP)	566,777	23,196	589,973
DEPRECIATED PRICE 2020 (DP)	776,121	30,473	806,594

Significant items of intangible fixed assets

Item	Year of acquisition	AC (CZK thousands)	DP 2021 (CZK thousands)
ESUP IATCC system	2007	786,211	169,662
IDP system for IATCC	2007	600,320	133,363

The most significant additions to intangible assets in 2021 included the technical evaluation of air traffic control systems – IDP and ESUP, acquisition of SW Innova for A-SMGCS in the amount of 46,140K CZK.

Depreciation of intangible fixed assets posted in costs amounted to 299,512K CZK in 2021, while in 2020, an amount of 278,575K CZK was posted in costs.

Intangible fixed assets in progress – As at 31 December 2021, the total volume of company's intangible fixed assets in progress amounted to 1,248,779K CZK, while in 2020, it equalled 944,411K CZK. Intangible fixed assets in progress include especially ongoing investments in a new system for air traffic control TopSky and valuation of existing systems IDP – WALDO and ESUP. The operational transition to the TopSky system was completed as at 4 March 2022 and the system was put into operation.

3.1.2 Property plant and equipment (tangible assets)

2021 (CZK thousands)	Lands and buildings	Machinery and equipment	Means of transport	Furniture and fixtures	Other TFA	Total
ACQUISITION COST (AC)						
Balance as at 01/01/2021	3,054,078	3,412,015	559,929	203,373	166,239	7,395,634
Additions	3,930	87,522	0	6,864	8,325	106,641
Disposals	752	209,209	0	1,529	3,981	215,471
Balance as at 31/12/2021	3,057,256	3,290,328	559,929	208,708	170,583	7,286,804
ACCUMULATED DEPRECIATION						
Balance as at 01/01/2021	1,460,395	2,595,782	169,844	188,533	146,418	4,560,972
Depreciation 2021	80,683	178,065	36,076	1,584	8,921	305,329
DP of disposed TFA 2021	22	0	0	0	0	22
Movements of assets	752	208,103	0	1,529	3,972	214,356
Balance as at 31/12/2021	1,540,348	2,565,744	205,920	188,588	151,367	4,651,967
DEPRECIATED PRICE 2021 (DP)	1,516,908	724,584	354,009	20,120	19,216	2,634,837
DEPRECIATED PRICE 2020 (DP)	1,593,683	816,233	390,085	14,840	19,821	2,834,662

Significant items of tangible assets

Item	Year of acquisition	AC (CZK thousands)	DP 2021 (CZK thousands)
IATCC building, Jeneč	2005	935,109	508,158
Technical Block building, Prague airport	1992	526,026	269,212
Calibration aircraft B300 OK-ANS	2019	193,470	166,062
Calibration aircraft B300 OK-RLP	2020	192,039	175,236
Building of the Training Centre (CANI)	1983	148,632	68,734

The most significant increase in tangible assets in 2021 was the renewal of the technologies necessary for ensuring operation in connection with the TopSky project, including air traffic control centres worth 86,308K CZK.

The most significant decline in tangible assets was the disposal of technology and air traffic control centres due to their renewal.

Depreciation of tangible fixed assets posted in costs in 2021 amounted to 305,329K CZK (20,419K CZK in 2020).

Off-balance sheet small tangible assets totalled 79,049K CZK as at 31 December 2021, and 80,135K CZK as at 31 December 2020.

Tangible fixed assets under construction – As at 31 December 2021, the total volume of company's tangible fixed assets under construction amounted to 208,871K CZK, while in 2020, it equalled 58,810K CZK. It was mainly hardware for the TopSky project and related reconstruction of the IATCC operations halls.

3.1.2.1 Specified assets of the company

In accordance with the provisions of Act No. 77/1997 Coll., on State Enterprise, special asset items are recorded in the bookkeeping – specified assets. These are assets that are indispensable to the entity in terms of carrying out the activities for which the entity (company) was established. These assets are registered in the Commercial Register. The company may handle specified assets only with the approval of the founder. The following specified assets were therefore on the books of the company as at 31 December 2021:

NAME OF SPECIFIED ASSETS	Inventory number	Acquisition cost
IATCC Prague building	2016743	935,109
Operations building of the Technical Block at Prague airport	51062	526,026
Operations building with control tower at Ostrava Mošnov	2021876	114,216
Operations building with control tower at Karlovy Vary	54004	103,889
Operations building with control tower at Brno Tuřany	52012	98,123
Operations building at Prague South	51150	61,117
Operations building at Buchtův Hill	52011	40,170
Land under the building of the Technical Block at LKPR	2563	1,349
Land under the operations building with LKMT TWR	648	337
Land under the operations building with LKKV TWR	3882	261
Land under the operations building with LKTb TWR	2258	122
Land under the IATCC Prague building	569	45
Land under the operations building at Prague South	34890	2
Land under the operations building at Buchtův Hill	130	2
TOTAL ACQUISITION COST OF SPECIFIED ASSETS AS AT 31 DECEMBER 2021 (CZK thousands)		1,880,768
TOTAL DEPRECIATED PRICE OF SPECIFIED ASSETS AS AT 31 DECEMBER 2020 (CZK thousands)		1,018,677

3.1.3 Investments in subsidiaries and entities in the group

Since 2012, the company has a 100% stake in the subsidiary Czech Aviation Training Centre, s.r.o. (CATC), with its registered office at K letišti 934, Ruzyně, 16100 Prague 6. The acquisition price of the stake amounts to 280 million CZK and is based on an opinion prepared for sale by a certified independent expert.

The equity of CATC, s.r.o. reached 225,902K CZK as at 31 December 2021, and the company's financial results for the accounting period of 2021 ended in a loss of 27,939K CZK.

As per a public notarial deed dated 17 October 2014, FAB CE, Aviation Services, Ltd., was established with its registered office at Zgornji Brnik 130N, SI-4210 Brnik, Slovenia. Stakeholders in the company are providers of air navigation services from the Czech Republic, Slovakia, Austria, Hungary, Slovenia and Croatia, which are associated in the Central European functional airspace "FAB CE". The aim of the company is to coordinate the actions of stakeholders in meeting the EU objectives under the Single European Sky (SES) policy. ANS CR holds a 1/6 stake in this service company.

3.2 INVENTORIES

INVENTORY (CZK thousands)	as at 31 December 2021	as at 31 December 2020
Inventories	12,572	13,696

Spare parts for security aviation technology form a major volume of inventories.

3.3 TRADE AND OTHER RECEIVABLES

RECEIVABLES (CZK thousands)	as at 31 December 2021	as at 31 December 2020
Trade receivables	429,770	484,371
Tax receivables	28,493	49,709
Prepayments made and other receivables	482,291	515,103
TOTAL RECEIVABLES		
Gross receivables	940,554	1,049,183
Provisions	-53,413	-50,783
Net receivables	887,141	998,400

Trade receivables are comprised mainly of receivables from users of air navigation services and, to a lesser extent, other customers.

In 2021, the company records tax receivables from the state amounting to 28,493K CZK. These are, in particular, receivables based on surplus VAT deductions. The company records no receivables from social security and health insurance institutions.

The total volume of other receivables amounts to 230,926K CZK. These particularly include receivables from grants to SESAR projects in the amount of 190,605K CZK. The amount of the receivable corresponds to the company's claims arising from participation in the projects SESAR H 2020 and SESAR Deployment, while maintaining the given budgets for each project. The amount of these claims was adjusted in 2021 so as to be in line with the expected drawdown on the said subsidies. The amount of receivables has been reduced by the amount of received partial payments for projects.

Other receivables also include a transaction concluded with a subsidiary for the purchase and leaseback of the L410 flight simulator. This transaction has been reported as leaseback. The transaction was worth 246,911K CZK. Leaseback will take place for 15 years in equal instalments with an interest rate of 3.35%.

3.4 SHORT-TERM FINANCIAL ASSETS, CASH ON HAND AND BANK ACCOUNTS

SHORT-TERM FINANCIAL ASSETS, CASH ON HAND AND BANK ACCOUNTS (CZK thousands)	as at 31 December 2021	as at 31 December 2020
Cash on hand	1,217	1,493
Cash on bank accounts	688,065	910,700
TOTAL CASH	689,282	912,193

3.5 DERIVATIVES

As at 31 December 2021, the company had a forward to secure the receivable for flight services billed by EUROCONTROL for November 2021. The forward was settled in January 2022 following the maturity of the given receivables.

Gains and losses realised from the revaluation of derivatives at fair value have been accounted for in profit/loss of the current period. The positive fair value of the derivative as at 31 December 2021 is reported in other receivables.

The following table gives an overview of nominal amounts and positive and negative fair values of open derivatives as at 31 December 2021:

DERIVATIVES (CZK thousands)	2021		2020	
	Fair value		Fair value	
	Positive	Negative	Positive	Negative
Forwards	2,597	0	0	-2,569

3.6 EQUITY

3.6.1 Changes in equity

A summary of changes in equity is reported in a separate statement.

3.6.2 Registered capital

There were no changes in registered capital in 2021.

3.6.3 Equity items

The reserve fund of the company is made up of allocations from available profit. This fund may only be used to cover losses. The balance of the reserve fund in the amount of 320,000K CZK was used to partially settle the company's loss in 2020; afterwards, the reserve fund balance equals zero.

Other company funds – The company creates a development fund with allocations to this fund provided from available profit. This fund is used to finance key projects of the company's infrastructure. Other funds include the assets of the calibration squadron delimited from the Civil Aviation Authority (CAA) to ANS CR based on the Decision of the Ministry of Transport in 2011. These delimited assets totalling 214,933K CZK were posted to equity to account 413400 – Other capital funds / transfer of assets from other state organisation. Based on a decision of the founder (the Ministry of Transport) in accordance with Act No. 77/1997 Coll., on State Enterprise, a founder's fund was established.

Profit/loss for the current period is settled after approval by the founder of the company – Ministry of Transport of the Czech Republic.

3.7 INCOME TAX

INCOME TAX (CZK thousands)	as at 31 December 2021	as at 31 December 2020
Due income tax	0	0
Tax for previous years	-5,700	915
Deferred tax accounted for due to the creation/clearing of temporary differences	-40,780	-131,802
TOTAL TAX COSTS	-46,480	-130,887

3.7.1 Balance of deferred tax as at 31 December 2021

Deferred tax receivable was posted in the amount of 46,218K CZK.

Deferred tax liability was reported against equity in the amount of 14,395K CZK.

3.8 OTHER LONG-TERM PAYABLES

PAYABLES (CZK thousands)	At current value as at 31 December 2021	At nominal value as at 31 December 2021	At nominal value as at 31 December 2020
Payables to credit institutions	1,510,634	1,510,634	919,348
State repayable assistance	465,453	500,000	461,301
Payables to employees	98,350	100,741	144,284
Payables to suppliers and other payables	125,388	133,264	91,120
TOTAL LONG-TERM PAYABLES	2,199,825	2,244,639	1,616,053

Other long-term payables include measures taken to ensure the financial stability of the company in connection with the dramatic drop in air traffic caused by the COVID-19 pandemic and thus the drop in revenues.

Payables to employees include bonuses, the entitlement to which arises from concluded collective agreements and which will be paid in the following years, including statutory contributions.

3.8.1 Bank loans

	Credit line	Monthly principal payments	Repayment of principal at 31 December 2021	Balance at 31 December 2021	Balance at present value	Interest rate	Loan due date
LONG-TERM BANK LOANS							
KB a.s., investment credit in EUR	35,300	739	0	34,871		0.52% p.a.	IV 27
Equivalent in CZK	877,558		0	866,890	144		
ČSOB a.s., investment credit in CZK	344,000	*	0	335,457	400	0.90% p.a.	IV 27
ČSOB a.s., investment credit in EUR	12,560	*	0	12,401			
Equivalent in CZK	312,242		0	308,287	291		
TOTAL LOANS in CZK	1,533,800		0	1,510,634	835		

* It will be calculated within 10 days after the end of the drawdown period.

Due to the fact that the foreign currency loan from KB a.s. has been granted for the acquisition of an air traffic control system, where revenues from the provision of these services are mostly generated in EUR, the hedge accounting has been used in connection with this loan to ensure future cash flows with a regular evaluation of hedge effectiveness. The exchange rate differences from loan revaluation were thus posted through valuation differences in equity.

3.9 SHORT-TERM PAYABLES

PAYABLES (CZK thousands)	as at 31 December 2021	as at 31 December 2020
Trade payables	163,983	173,932
Payables to employees	277,422	314,423
Payables – bonuses in the form of estimated payables	55,097	55,952
Payables to the state	49,707	56,357
Of which – Income tax on dependent activities	15,647	23,209
Other tax	6	5
Social security and health insurance	34,054	33,143
Advances received	826	3,412
Subsidies	19,476	57,593
Other payables	105,551	100,806
TOTAL PAYABLES	672,062	762,475

Trade payables are comprised of unpaid supplier invoices within due date.

Payables to employees are made up of wages for December 2021 to be paid in January 2022. Furthermore, pursuant to Act No. 77/1997 Coll., the company has created a fund for cultural and social needs, which is recognised as payables to employees under IFRS. The company proceeds in the same way in the case of the bonus fund, the fund for other social spending and the reserve for unused holiday.

State – payables This item includes mandatory transfer of income tax on dependent activities on behalf of employees for the payroll period of December 2021. It also contains the mandatory transfer of social security and health insurance contributions on behalf of employees for the payroll period of December 2021.

4 ADDITIONAL INFORMATION ON THE PROFIT & LOSS STATEMENT AND OTHER COMPREHENSIVE INCOME

4.1 COSTS

4.1.1 Costs of material, energy and services

COSTS OF MATERIAL, ENERGY AND SERVICES (CZK thousands)	as at 31 December 2021	as at 31 December 2020
Consumption of material	20,281	21,932
Energy consumption	41,667	44,778
Consumption of other non-storable items	746	829
Repairs and maintenance	68,185	65,397
Travel expenses	4,640	6,618
SW support of systems	89,767	91,961
Telecommunications charges and data networks	35,726	41,819
Aeronautical meteorology	78,309	78,309
Other services	98,528	122,069
TOTAL COSTS OF MATERIAL, ENERGY AND SERVICES	437,849	473,712

The cost item of services includes, inter alia, costs incurred for the services provided by the audit firm. Grant Thornton Audit s.r.o. (formerly Fučík & partneři s.r.o.) has been providing auditing services to the company since 2020. Costs of auditing services equalled 512K CZK in 2021 and 553K CZK in 2020.

4.1.2 Personnel costs

PERSONNEL COSTS (CZK thousands)	as at 31 December 2021	as at 31 December 2020
Payroll costs	1,108,419	1,445,480
Statutory social security	337,994	434,570
Statutory social expenditures	26,266	42,320
Other social expenditures	538	873
TOTAL PERSONNEL COSTS	1,473,217	1,923,243

The personnel costs for 2021 also include personnel costs to be paid in periods later than January 2022 the entitlement to which arises from concluded collective agreements. The costs are recorded including related health insurance and social security transfers.

4.1.3 Other operating costs

OTHER OPERATING COSTS (CZK thousands)	as at 31 December 2021	as at 31 December 2019
Taxes and charges	3,042	3,202
Provisions	8,177	14,158
Contributions to the EUROCONTROL's budget	159,297	150,099
Liability insurance	15,806	17,309
Costs for the national supervisory authority	49,547	52,391
Other	17,745	24,280
TOTAL OTHER OPERATING COSTS	253,614	261,439

4.1.4 Financial costs

FINANCIAL COSTS (CZK thousands)	as at 31 December 2021	as at 31 December 2020
Exchange rate gains	18,384	0
Derivatives	0	49,595
Other financial costs	1,343	0
TOTAL FINANCIAL COSTS	19,727	49,595

4.2 REVENUES

4.2.1 Operating Income

OPERATING INCOME (CZK thousands)	as at 31 December 2021	as at 31 December 2020
Air navigation services	1,730,382	1,506,002
Of which – en-route navigation services	1,483,314	1,295,976
Terminal navigation services	244,914	208,052
Training flights	2,154	1,974
Other sales of products and services	116,280	154,030
Total performance	1,846,662	1,660,032
Other operating income	82,963	62,766
Of which – sales of assets	1,522	0
Compensation for the costs of charge-free flights	57,521	55,109
Other operating income	23,920	7,657
TOTAL OPERATING INCOME	1,929 625	1,722,798

In 2021, the air transport sector was again negatively affected by the COVID-19 pandemic. The volume of en-route operations, expressed in service units (SU), dropped by 56.4% in comparison with the reference year 2019, which was reflected in the low volume of revenues from air navigation services. The volume of other operating income was also affected by the lower demand for training and inspection flight services.

4.2.2 Financial revenues

FINANCIAL REVENUES (CZK thousands)	as at 31 December 2021	as at 31 December 2020
Interest income	7,500	8,723
Exchange rate losses	0	16,696
Derivatives	6,168	0
Other financial revenues	1,873	45,760
TOTAL FINANCIAL REVENUES	15,541	71,179

5 EMPLOYEES, COMPANY MANAGEMENT AND GOVERNING BODY

The average number of employees and managers as well as personnel costs for the accounting periods 2021 and 2020 are as follows:

(CZK thousands)	Employees		Company management		Total	
	2021	2020	2021	2020	2021	2020
Number (FTE)	924	1,000	12 + 7	18 + 7	936 + 7	1018 + 7
Payroll costs, including estimated payables for remuneration for the given year	1,054,543	1,369,459	53,876	76,021	1,108,419	1,445,480
Insurance premiums for social security and health insurance, including estimated payables for contributions from bonuses for the given year	326,523	419,321	11,471	15,249	337,994	434,570
Other personnel costs	25,042	40,833	1,762	2,360	26,804	43,193
TOTAL PERSONNEL COSTS	1,406,108	1,829,613	67,109	93,630	1,473,217	1,923,243

The effect of austerity measures adopted in 2020 can be seen both in the drop in personnel costs in 2021 and in reduced headcount.

The company's management consists of the Director General, executive directors of departments, directors of divisions, and deputy directors of sections. Pursuant to the collective agreement, capital insurance and life insurance have been paid and contributions to supplementary pension insurance have been provided for company's managers. The managers of the company have been provided with business vehicles also for private purposes.

The Supervisory Board of the company has 6 members, out of which 4 have been appointed by the founder, and 2 have been elected from among employees. Members of the Board are remunerated for performance of their duties in the Supervisory Board. The Audit Committee has 3 members. Audit Committee members are remunerated for performance of their duties in the Committee.

6 INFORMATION ON RELATED ENTITIES

Air Navigation Services of the Czech Republic (hereinafter the "company") is a state-owned company. The founder of the company is the Czech Republic – Ministry of Transport, náměstí Ludvíka Svobody 1222/12, Postal Code 110 15 Prague 1. Related entities include, aside companies with an ownership interest of the company, also companies with ownership interests of the Czech Republic through the state administration authorities (Ministry). All transactions between the company and its related entities have been conducted under standard market conditions.

The subsidiary Czech Aviation Training Centre, s.r.o. (hereinafter "CATC"), where the company holds a 100% ownership interest, is also a related entity.

The volume of company's costs from transactions with related entities in 2021 amounted to 159,641K CZK. Suppliers – related entities as per the definition – include, in particular, the Czech Hydrometeorological Institute, Civil Aviation Authority of the Czech Republic, Letiště Praha a.s., FAB CE Ltd., CATC s.r.o., the Institute of Aviation Health, and the Czech Telecommunication Office. The total volume of the company's liabilities (solely within the due date) to the related entities mentioned above as at 31 December 2021, including estimated liabilities, reached the amount of 147,553K CZK, considering the current value of these liabilities. The company had a payable to the Ministry of Transport under financial assistance in the nominal amount of 500 million CZK (465,453K CZK at current value).

The volume of company's revenues from transactions with related entities in 2021 amounted to 79,058K CZK. Suppliers – related entities as per the definition – include, in particular, the Ministry of Transport of the Czech Republic, the Ministry of Defence of the Czech Republic, CATC s.r.o., the Czech Hydrometeorological Institute, and Civil Aviation Authority of the Czech Republic. The total amount of the company's receivables from the related entities mentioned above as at 31 December 2021 was 14,598K CZK.

In 2021, ANS CR was fully compensated from the state budget for the costs incurred by the company in connection with the provision of services to flights exempt from charges in the total amount of 57,521K CZK. This compensation is provided to ANS providers in compliance with Commission Regulation (EC) No. 1794/2006 currently replaced by Commission Implementing Regulation (EU) 2019/317 of 11 February 2019 laying down a performance and charging scheme in the single European sky and in compliance with Czech Government Resolution No. 1404 of 2 November 2005.

7 THE COMPANY IS A GOING CONCERN

In 2021, the air transport sector was again negatively affected by the continuing coronavirus pandemic. The impact of pandemic measures and tourism restrictions persisted, in particular, in the first half of the year. Some recovery then took place in the second half of the year, although air traffic performance was far from pre-pandemic volumes. In the area of en-route navigation services, there was a 56% drop in traffic compared to the reference year 2019 (in service units), in the area of terminal navigation services, the fall was even 62% compared to 2019 (in terminal service units).

The continued restrictions in air transport were also dramatically reflected in the company's economy in 2021. In order to partially compensate for the loss of revenues from air traffic services, we continued to take cost-saving measures. Thanks to these measures, we have reduced the total costs of the company by 28% as compared with the reference year 2019. Significant savings were also made in personnel costs, where, in addition to freezing partial wage components, the headcount was reduced.

In order to stabilise the financial situation of the company, external sources of financing were used. The credit limit granted by KB, a.s. for financing and completion of the new TopSky air traffic control system has been drawn. Also, investment credit granted by ČSOB, a.s. for modification of the existing support systems for connection to the new TopSky system has been drawn. The maturity of external sources of financing has been set in such a way so that repayments would start in the period when air traffic performance returns back to the standard level.

The Single European Sky (SES) is a remarkable initiative of the European Commission in air transport. The aim of SES is above all to improve safety standards for air traffic, to ensure the long-term sustainable development of air transport, and to improve the overall performance of air traffic organisation and air navigation services for general air traffic in Europe so as to meet the requirements of all airspace users. The instrument for implementing this initiative is, inter alia, the system of performance planning for ANS providers, as governed by Commission Implementing Regulation (EU) 2019/317. The Performance Plan lays down the parameters for long-term sustainable development of the company in order to provide cost-effective air navigation services while maintaining the financial stability of the ANS provider. In the light of the coronavirus pandemic and its impact

on the entire air transport sector, in November 2020, the EC issued Commission Implementing Regulation (EU) 2020/1627 on exceptional measures for the third reference period (2020–2024) of the single European sky performance and charging scheme due to the COVID-19 pandemic. This Regulation establishes, inter alia, a mechanism for offsetting losses of ANS providers for the years 2020 and 2021 in subsequent periods.

On the basis of the above EC Regulation, the Performance Plan of the Czech Republic for the third reference period (from 2020 to 2024) was updated in the first half of 2021. The revised Plan responds to the new performance targets announced by the European Commission. This Plan was successfully discussed in consultation with representatives of ANS users, the European Commission and other stakeholders in July 2021. The final version of the revised Performance Plan of the Czech Republic was submitted to the EC for assessment on 30 September 2021. It is obvious from the “PRB assessment of the revised draft performance plans for RP3” from the beginning of March 2022 that the revised Performance Plan of the Czech Republic meets the targets required by the European Commission and has been recommended for approval.

The Performance Plan of the Czech Republic for the third reference period thus lays robust grounds for further development of the company in the coming years. Thanks to the adopted austerity measures, a responsible and rational budgetary policy based on the mechanisms of the performance planning system, the state-owned company ANS CR remains a stable, reliable and predictable part of civil aviation in the Czech Republic. The Financial Statements as at 31 December 2021 were prepared provided that the state-owned company Air Navigation Services of the Czech Republic continues to operate for an unlimited period of time.

8 SUBSIDIES

The state-owned company ANS CR participates in development programmes in ATM. One of these programmes is the SESAR Deployment Programme, in which selected projects are co-financed by the European Union through the European Climate, Infrastructure and Environment Executive Agency (CINEA) by means of grants. These grant projects are aimed at introducing new technologies in the sector of air navigation services and co-financing of investments thus forms an essential part.

In addition, the company participates in the SESAR H 2020 programmes. The subsidy is in these cases granted to cover the operating costs incurred by the company in connection with the subject matter of the subsidy.

(EUR thousands)	Total estimated amount of subsidy to be drawn by ANS CR
Subsidies from programmes SESAR 2020 Wave 2 and 3	547
Subsidies from programmes SESAR Deployment	9,678

In 2021, a grant agreement was signed for participation in the SESAR H2020 U-space for the Urban Air Mobility project.

9 EVENTS THAT OCCURRED AFTER 31 DECEMBER

On 4 March 2022, the new TopSky air traffic control system was fully deployed with an ambition to meet high technical and capacity requirements expected from control systems in the 21st century. It will also fulfil the requirements of the European Commission under the Single European Sky programme for technical competence and related certification of European air navigation service providers.

In March 2022, the EC Performance Review Body (PRB) assessed the Performance Plan of the Czech Republic for RP3 as meeting Europe-wide targets and endorsed it for approval. The Performance Plan of the Czech Republic for the third reference period thus lays robust grounds for further development of the company in the coming years.

The war conflict in Ukraine began in February 2022. This fact and the subsequently adopted economic and political sanctions against Russia will have a significant impact on the civil aviation sector. The impact on the company's situation will be monitored and evaluated on an ongoing basis. As at the date of compilation of the Financial Statements, following an analysis of receivables and revenues, the expected effects on the financial situation of the company are not threatening.

10 RISK MANAGEMENT

Credit risks – As at 31 December 2021, the company's situation was stable. The external financing received has been set to cover the repayment of these resources at the time when the company's situation is expected to have been stabilised with regard to the evolution of the pandemic. Financial assets consist mainly of fund deposits at banks and receivables. Funds have been deposited with reputable banking institutions. The risks associated with trade receivables are limited due to a large number of customers of air navigation services. The debt-related risks are further reduced by the effective debt recovery system applied by the European Organisation for the Safety of Air Navigation (EUROCONTROL).

Currency risks – Thanks to the monthly conversion mechanism of the reference unit price of air navigation services provided at the current exchange rate, the company is secured against significant exchange rate fluctuations on the date of invoicing of services. The sensitivity of the company to exchange rate risks is reduced thanks to this mechanism. Currency risks are further reduced by the management of balances in foreign currency and by hedging of the company's major receivables.

11 OFF-BALANCE SHEET LIABILITIES

Litigations – As at 31 December 2021, no litigation has been brought against the company that could have a significant impact on the Financial Statements.

Environmental commitments – All the standards related to environmental protection are adhered to and no proceedings pertaining to environmental protection have been initiated against the company that could have a significant impact on the Financial Statements.

Bank guarantees provided – In 2021, the company provided bank guarantees to foreign customers in relation to commercial activities of the Czech Air Navigation Institute (CANI) and the calibration squadron. Overview of granted bank guarantees:

BANK GUARANTEE FOR	Guarantee validity	Amount and currency
Tanzania Civil Aviation Authority	01/02/2019 – 30/11/2021	68,400 USD
Air Navigation Services Agency of Kosovo	14/01/2020 – 20/02/2021	4,118 EUR
Sakaaeronavigatsia Ltd., Georgia	18/05/2021 – 31/01/2022	2,815 EUR
Air Navigation Services Agency of Kosovo	28/05/2021 – 27/07/2022	4,156 EUR

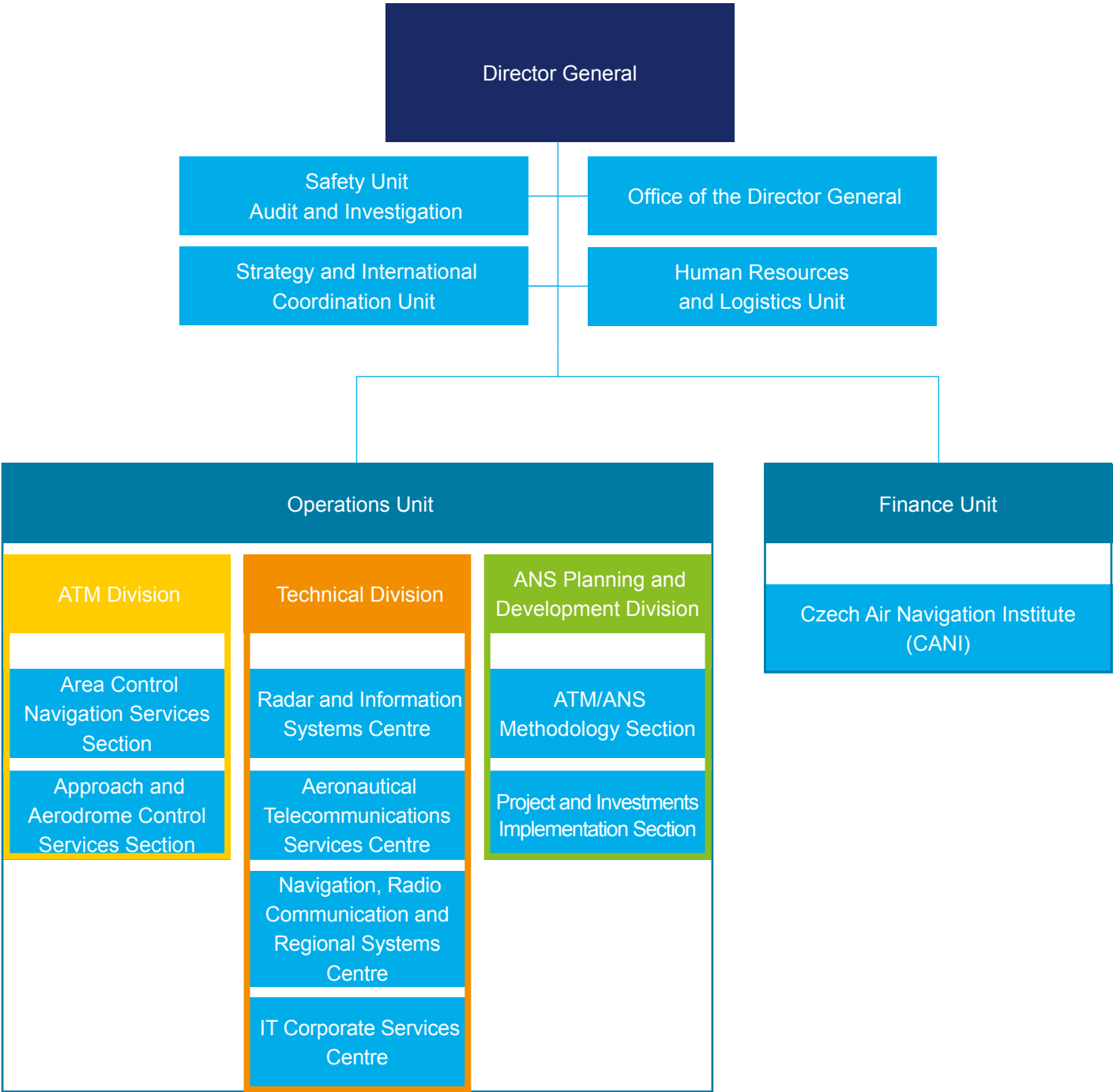
12 CASH FLOW OVERVIEW

Cash flow overview has been compiled by means of an indirect method and is detailed in a separate report. Cash is considered as cash on hand, including security printed items and cash on bank accounts, including current account overdrafts. There are no equivalents in the company's assets.

KLM – National airline of the Netherlands with its home airport at Amsterdam Schiphol is the oldest airline in the world established in 1919. Currently operates to 145 destinations worldwide and operates an air fleet of 145 aircraft.



SIMPLIFIED ORGANIZATIONAL CHART OF ANS CR (as of January 1, 2021)



List of Abbreviations

AACC	Area Control Centre
ACFT	Aircraft
AFTN	Aeronautical Fixed Telecommunication Network
AIC	Aeronautical Information Circular
AIP	Aeronautical Information Publication
AMAN	Arrival Management/Arrival Manager
ANS	Air Navigation Services
ANSP	Air Navigation Service Provider
APP	Approach Control
ARO	Air Traffic Services Reporting Office
ATC	Air Traffic Control
ATCA	Air Traffic Control Association
ATCO	Air Traffic Control Officer
ATFM	Air Traffic Flow Management
ATIS	Automatic Terminal Information Service
ATM	Air Traffic Management
ATMS	Air Traffic Management Systems
ATPL	(A) Airline Transport Pilot Licence (Airplanes)
ATS	Air Traffic Services
BUKOP	Radome at Buchtuv kopec
CANSO	Civil Air Navigation Services Organisation
CFL	Cleared Flight Level
CISM	Critical Incident Stress Management
CMOS	Central Monitoring and Control System
CNS	Communications/Navigation/Surveillance
COM	Communications
CRCO	Central Route Charges Office (Eurocontrol)
CTA	Control Area
CTR	Control Zone
CZATCA	Czech Air Traffic Control Association
DCT	route Direct Route
DME	Distance Measuring Equipment
DPS	Data Processing Systems
E2000	EUROCAT 2000 – ATM System
EATMP	European Air Traffic Management Programme
EC	European Commission
ECAC	European Civil Aviation Conference
EDDM	Munich Airport (IATA)
EoSM	Effectiveness of Safety Management
ESUP	EUROCAT Support
EUROCONTROL	European Organisation for the Safety of Air Navigation)
FIR	Flight Information Region
FL	Flight Level
FRA	Free Route Airspace
FRAPRA	Free Route Airspace in FIR Prague
FRMS	Fatigue Risk Management System
FTO	Flight Training Organisation
FUA	Flexible Use of Airspace
GA	General Aviation
HMI	Human-Machine Interface
IATA	International Air Transport Association
IATCC	Integrated Air Traffic Control Centre Prague
IBS	Integrated Briefing System
ICAO	International Civil Aviation Organization
IDP	Information Display Processor
IFR	Instrument Flight Rules

- ILS** Instrument Landing System
- INEA** Innovation & Networks Executive Agency
- IPT** IP Telephone Exchange
- IR** Instrument Rating
- ISO** International Standards Organization
- ISQMS** Integrated Safety and Quality Management System
- JAA** Joint Aviation Authorities
- JAR** Joint Aviation Requirements
- KOPI** Radom in Písek
- L** Rules and Regulations in the Czech Language
- AIS** Aeronautical Information Service
- LKAA** Flight Information Region (FIR) of the Czech Republic
- LKKV** Karlovy Vary Airport
- LKMT** Ostrava Airport
- LKPR** Václav Havel Prague Airport
- LKTB** Brno Airport
- MSAW** Minimum Safety Altitude Warning
- MSSR** Monopulse Secondary Surveillance Radar
- MTOW** Maximum Take-Off Weight
- NAV** Navigation/Navigator
- NAVCOM** Navigation/Communication
- NDB** Nondirectional Radio Beacon
- NEASCOG** NATO – EUROCONTROL ATM Security Coordinating Group
- NM** Network Manager
- NOTAM** Notice to Airmen
- OJT** On-the-job Training
- OJTI** On-the-job Training Instructor
- OPMET** Operational Meteorological Information
- PRE-OJT** Pre-On-the-job Training
- RAT** Risk Analysis Rate
- RCC** Rescue Coordination Centre
- RCOM** Radiocommunication
- RIS** Radar and Information Systems
- RMCDE** Radar Message Conversion and Distribution Equipment
- RSR** En-route Surveillance Radar
- RVSM** Reduced Vertical Separation Minimum
- RWY** Runway
- SAT** Site Acceptance Test
- SC** Senior Controller
- SDM** SESAR Deployment Manager
- SES** Single European Sky
- SESAR** Single European Sky ATM Research
- SID** Standard Departure Chart-Instrument
- SIMU** Simulator
- SJU** SESAR Joint Undertaking
- SMC** Surface Movement Control
- SSR** Secondary Surveillance Radar
- STAR** Standard Arrival
- SU** Service Unit
- TAR** Terminal Area Surveillance Radar
- TMA** Terminal Control Area
- TWR** Aerodrome Control Tower
- UAC** Upper Area Control Centre
- UHF** Ultra High Frequency
- UIR** Upper Flight Information Region
- UPS** Uninterruptible Power Supplies
- VCS** Voice Communication System
- VFR** Visual Flight Rules
- VHF** Very High Frequency
- VOR** VHF Omnidirectional Radio Range
- WS** Watch Supervisor
- Incident** Event in air operation other than an air accident
- Instructor** Air traffic controller responsible for proposal and requirements for new ATS systems and procedures. Checks their practical application. Prepares training documentation for ATS personnel.



EasyJet – British low-cost air carrier based at London Luton Airport. The company was founded in March 1995. It operates a total of 241 aircraft and flies to 141 destinations. Before the pandemic the company transported almost 80 million passengers each year.





Countries & ANSPs



Total number of flights: 1.270.518 (29.3%) 2021

Arrivals

175.906
(24,3%)

Departures

175.782
(24,3%)

Overflights

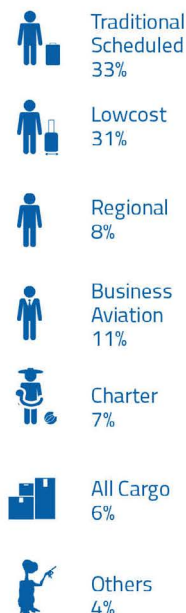
863.543
(32,0%)

Internal flights

55.287
(22,2%)



Flights share by market segment



**Wien
Schwechat**
350
(18.6%)

**Václav Havel
Prague**
155
(13.3%)

**Ferenc Liszt
Budapest**
150
(14.5%)

**Franjo Tuđman
Zagreb**
79
(36.5%)

**Split
Kastela**
53
(65.5%)

Salzburg
40
(-0.5%)

**Ljubljana
Brnik**
36
(29.8%)

**Dubrovnik
Cilipi**
36
(77.0%)

**Bratislava
Ivanka**
30
(21.7%)

Top 10 airports Average daily movements

Traffic Forecast Base Scenario



2021
2.079.340



2022
2.237.733



2023
2.354.989



2024
2.401.094



2024
2.452.583

Source: EUROCONTROL Statfor

Contacs

Business Name:	Air Navigation Services of the Czech Republic (ANS CR)
Headquarters:	Navigační 787, 252 61 Jeneč, Czech Republic
Company ID number:	49710371
Tax ID number	CZ699004742
Registration in the Commercial Register:	Municipal Court in Prague, Section A, File No. 10771
Bank account:	ČSOB Praha 5, bank account number: 88153/0300
E-mail:	ans@ans.cz
Website:	www.rlp.cz



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