

Copenhagen Airports Denmark ApS

c/o Azets Insight A/S
Lyskær 3 CD
2730 Herlev

CVR No. 29144249

Annual Report 2017

12. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 31 May 2018

Morten Eriksen
Chairman

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Management's Statement

Today, Management has considered and adopted the Annual Report of Copenhagen Airports Denmark ApS for the financial year 1 January 2017 - 31 December 2017.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January 2017 - 31 December 2017.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 31 May 2018

Executive Board

Charles Thomazi

Mia Line Byrk

Ulrik Dan Weuder

David Mark Stanton

Independent Auditor's Report

To the shareholders of Copenhagen Airports Denmark ApS

Opinion

We have audited the financial statements of Copenhagen Airports Denmark ApS for the financial year 1 January 2017 - 31 December 2017, which comprise an income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2017 and of the results of its operations for the financial year 1 January 2017 - 31 December 2017 in accordance with the Danish Financial Statements Act.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in our auditors' report under "Auditors' responsibility for the audit of the financial statements". As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Company, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of opinion providing assurance regarding the Management's review.

Our responsibility in connection with our audit of the financial statements is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management considers necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern; disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting in preparing the financial statements unless Management either intends to either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

The auditor's responsibility for the audit of the financial statements

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements

Independent Auditor's Report

can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain an attitude of professional skepticism throughout the audit. We also:

- * Identify and assess the risk of material misstatements in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control.
- * Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- * Evaluate whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- * Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- * Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect the underlying transactions and events in a manner that gives a true and fair view.

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

Copenhagen, 31 May 2018

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-no. 33771231

Søren Ørjan Jensen
State Authorised Public Accountant
mne33226

Copenhagen Airports Denmark ApS

Company informations

Company	Copenhagen Airports Denmark ApS c/o Azets Insight A/S Lyskær 3 CD 2730 Herlev
CVR No.	29144249
Date of formation	18 October 2005
Registered office	Herlev
Financial year	1 January 2017 - 31 December 2017
Executive Board	Charles Thomazi Mia Line Byrk Ulrik Dan Weuder David Mark Stanton
Parent Company	Kastrup Airports Parent ApS c/o Azets Insight A/S Lyskær 3 CD 2730 Herlev
Administration company	Kastrup Airports Parent ApS c/o Azets Insight A/S Lyskær 3 CD 2730 Herlev
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup CVR-no.: 33771231

Management's Review

The Company's principal activities

The objective of the Company is holding shares in other companies. The Company's current primary activity is the holding of shares in other companies and the funding of these shareholdings.

Development in activities and financial matters

The Company's Income Statement of the financial year 1 January 2017 - 31 December 2017 shows a result of DKK 180.237.219 and the Balance Sheet at 31 December 2017 a balance sheet total of DKK 9.630.585.927 and an equity of DKK 527.411.377.

Post financial year events

After the end of the financial year, the ownership share of Københavns Lufthavne A/S ("CPH") has increased from 57,66% to 59,35%.

Expectations for the future

Based on the expected traffic programme for 2018, an increase in the total number of passengers at CPH is expected. The development in passenger numbers is a dynamic factor that is subject to both positive and negative influence from general economic developments, decisions by airlines relating to routes and capacity, and isolated events in the aviation industry. The increase in passenger numbers is expected to have a favourable impact on revenue, while growth is more than outweighed by the announced reduction in airport charges at the end of 2017. Operating costs are expected to be higher than in 2017, primarily due to the expected rise in passenger numbers, stricter regulatory requirements and cost inflation, although this will partly be offset by a continuing focus on operating cost efficiencies. Overall, depreciation charges and financing costs are expected to be higher than in 2017, primarily as a result of a significantly increased investment level.

As a result of the above, management expects that the distribution from CPH in 2018 will be lower than in 2017.

Risks

The risk to the distribution level received from CPH are the same risks as those of the CPH Group.

Risk management at CPH is based on Danish and international corporate governance recommendations. A continual identification and quantification of risks and assessment of the probability and consequences of events enables CPH to consider and manage the risks that are material in relation to the creation of value in CPH.

Each of these risk factors is explained in detail in the CPH Group Annual Report – please refer to this document for further information. For a description of the financial risks faced by the Group, please refer to note 4 of the Group financial statements.

Report on Corporate Social Responsibility and the Gender Composition in Management, cf. Sections 99 a & 99 b of the Danish Financial Statements Act

The company is part of the Kastrup Airports Parent ApS group ("KAP group"). The KAP group reports on the work carried out in relation to corporate social responsibility and increasing the underrepresented gender in management at group level. For information on this work, please refer to Management's Review in the Annual Report 2017 for KAP.

Key Figures and Financial Ratios

The development in the Company's key figures and financial ratios can be described as follows:

Numbers appear in thousands

	2017	2016	2015	2014	2013
Operating profit/loss	-5.275	-4.047	-4.594	-19.128	-6.896
Financial income	688.318	680.444	572.708	552.008	965.509
Financial expenses	-602.118	-603.902	-602.360	-986.177	-654.142
Net financial income and expenses	86.200	76.542	-29.652	-434.168	311.367
Profit/loss for the year	180.237	121.702	74.172	-342.225	423.629
Total equity	527.411	323.335	252.535	154.219	477.718
Total fixed assets	8.591.279	8.591.279	8.591.279	8.591.279	8.591.279
Return on capital employed (%)	7	7	6	6	11
Return on equity (ROE) (%)	42	42	36	-108	194
Solvency ratio (%)	5	3	3	2	5

For definitions of key ratios, see Explanation of financial ratios on page 12.

Accounting Policies

Reporting Class

The Annual Report of Copenhagen Airports Denmark ApS for 2017 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

Reporting currency

The Annual Report is presented in Danish kroner.

Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

General Information

Basis of recognition and measurement

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

The accounting value of intangible and tangible assets are examined on a yearly basis to determine if there are any indications of impairment, other than what has been declared by regular depreciations. If this is the case, an impairment will be done to the lowest recoverable value.

Accounting Policies

Income Statement

Other external expenses

Other external expenses comprise expenses regarding administration.

Income from equity investments in group enterprises and associates

Income from equity investments comprises dividends received from group enterprises and associates in so far as they do not exceed the accumulated earnings in the group enterprise or the associate during the ownership period.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding securities, debt and foreign currency transactions, dividends received from other equity investments, amortisation of financial assets and liabilities as well as surcharges and allowances under the tax repayment scheme.

Tax on net profit/loss for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity. The Company and the Danish associates are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

Accounting Policies

Balance Sheet

Equity investments in group enterprises and associates

Equity investments in group enterprises and associates are measured at cost. Dividends that exceed accumulated earnings of the group enterprise or the associate during the ownership period are treated as a reduction of the cost. If cost exceeds the net realisable value, a write-down to this lower value will be performed.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Derivative financial instruments

Derivative financial instruments are measured at cost and subsequently at fair value at initial recognition in the Balance Sheet. Positive and negative fair values of derivative financial instruments are included in other receivables and other payables, respectively.

Changes in the fair value of derivative financial instruments classified as and fulfilling the criteria for hedging the fair value of a recognised asset or liability are recognised in the Income Statement together with any changes in the fair value of the hedged asset or liability.

Changes in the fair value of derivative financial instruments classified as and fulfilling the conditions for hedging future assets and liabilities are recognised in other receivables or other payables and in equity. In the event that the future transaction results in the recognition of assets or liabilities, any amounts previously recognised in equity will be transferred to the cost of the asset or the liability, respectively. In the event that the future transaction results in income or expenses, any amounts previously recognised in equity will be transferred to the Income Statement in the period in which the hedged item affects the Income Statement.

For derivative financial instruments that do not fulfil the conditions for treatment as hedging instruments, changes in the fair value will continually be recognised in the Income Statement.

Financial liabilities

Fixed-rate loans such as mortgage loans and loans from credit institutions are recognised initially at the proceeds received less transaction expenses incurred. In subsequent periods, loans are measured at amortised cost so that the difference between the proceeds and the nominal value is recognised in the Income Statement as an interest expense over the term of the loan.

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Accounting Policies

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Accounting policies Cash Flow Statement

According to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared.

The cash flow statement is part of the cash flow statement in the consolidated financial statements for Kastrup Airport Parent ApS, Denmark.

Explanation of financial ratios

Return on equity (%)	=	$\frac{\text{Profit/loss for the year}}{\text{Avg. equity}}$
Return on capital employed (%)	=	$\frac{(\text{Operating profit} + \text{Financial income}) \times 100}{\text{Avg. assets}}$
Equity interest (equity ratio) (%)	=	$\frac{\text{Total equity} \times 100}{\text{Total liabilities}}$

Income Statement

	Note	2017 kr.	2016 kr.
Other external expenses	1	-5.275.211	-4.046.837
Profit from ordinary operating activities		-5.275.211	-4.046.837
Income from investments in group enterprises and associates		688.317.596	680.444.387
Finance expenses arising from group enterprises		-367.816.316	-368.824.032
Other finance expenses		-234.301.684	-235.078.419
Profit from ordinary activities before tax		80.924.385	72.495.099
Tax expense on ordinary activities	2	99.312.834	49.207.105
Profit	3	180.237.219	121.702.204

Copenhagen Airports Denmark ApS

Balance Sheet as of 31 December

	Note	2017 kr.	2016 kr.
Assets			
Long-term investments in group enterprises	4	8.591.279.262	8.591.279.262
Investments		8.591.279.262	8.591.279.262
Fixed assets		8.591.279.262	8.591.279.262
Short-term receivables from group enterprises		597.014.506	533.450.346
Tax receivables from group enterprises		92.588.952	63.564.161
Prepayments		0	403.366
Receivables		689.603.458	597.417.873
Cash and cash equivalents		349.703.207	383.798.866
Current assets		1.039.306.665	981.216.739
Assets		9.630.585.927	9.572.496.001

Copenhagen Airports Denmark ApS

Balance Sheet as of 31 December

	Note	2017 kr.	2016 kr.
Liabilities and equity			
Contributed capital		10.880.000	10.880.000
Retained earnings		516.531.377	312.454.941
Equity		527.411.377	323.334.941
Financial institutions and other loans		1.521.927.664	1.521.927.664
Other debt incurred by issuance of bonds		4.170.522.680	4.260.434.757
Payables to group enterprises		3.023.147.800	3.023.147.800
Long-term liabilities other than provisions	5	8.715.598.144	8.805.510.221
Trade payables		613.639	1.159.530
Payables to group enterprises		193.723.302	325.119.831
Other payables		193.239.465	117.371.478
Short-term liabilities other than provisions		387.576.406	443.650.839
Liabilities other than provisions within the business		9.103.174.550	9.249.161.060
Liabilities and equity		9.630.585.927	9.572.496.001
Contingent liabilities	6		
Guarantees and pledges	7		
Related parties	8		
Fees for auditors elected on the general meeting	9		

Copenhagen Airports Denmark ApS

Statement of changes in Equity

	Contributed capital	Retained earnings	Total
Equity 1 January 2017	10.880.000	312.454.941	323.334.941
Net adjustments of hedging instruments	0	23.839.217	23.839.217
Equity transfers to reserves	0	180.237.219	180.237.219
Equity 31 December 2017	10.880.000	516.531.377	527.411.377

The share capital has remained unchanged for the last 5 years.

Notes

1. Executive board fee

The executive board of the Group have received DKK 0.1 million (2016: DKK 0.1 Million).

	2017	2016
2. Tax expense		
Company tax	-99.309.250	-49.207.105
	-99.309.250	-49.207.105

3. Proposed distribution of results

Retained earnings	180.237.219	121.702.204
Distribution of profit	180.237.219	121.702.204

4. Disclosure in long-term investments in group enterprises and associates

Group enterprises

Name	Registered office	Share held in		Equity	Profit
			%		
Copenhagen Airports A/S	Copenhagen		57,66	3.152	1.286
				3.152	1.286

CAD has received dividend on DKK 688.317.596 from CPH.

5. Long-term liabilities

	Due within 1 year	Due after 1 year	Due after 5 years
Financial institutions and other loans	0	1.521.927.664	0
Other debt raised by issuance of bonds	0	4.170.522.680	0
Payables to group enterprises	0	0	3.023.147.800
	0	5.692.450.344	3.023.147.800

Financial institution and other loans are issued by a consortium of banks, with Crédit Agricole and Deutsche Bank acting as Agents. These loans are secured by shares in CPH and bank deposits.

The bond loans were swapped to DKK on close of contract, both in terms of principal and interest payments, using currency swaps.

All payables to group enterprises are payable after 5 years. The Company has received a letter of subordination regarding interest and repayments on loan until the Company has sufficient liquidity.

Loancosts for future amortisation included in "Other debt raised by issuance of bonds" in 2017 DKK -13.502.314 and in 2016 DKK -22.540.237.

Notes

6. Contingent liabilities

The Company is jointly taxed with the other enterprises in the group and are jointly and severally liable for the taxes that concern the joint taxation.

The Company is jointly and severally liable for the tax liabilities of its subsidiaries and has a subsidiary liability for the tax liabilities of its parent, Copenhagen Airports Denmark Holdings ApS and its ultimate parent Kastrup Airports Parent ApS, which respectively hold, directly and indirectly, 100 % of shares of the Company.

The total amount appears from the annual report of Kastrup Airports Parent ApS which is the administration company in the joint taxation.

7. Guarantees and pledges

The Company has pledged its shares in Copenhagen Airports A/S and its bank deposit as security for its bank loan. The book value of the amount pledged is DKK 8.705.969.330.

8. Related parties

Copenhagen Airports Denmark ApS (CAD), company reg. (CVR) no. 29144249 is directly controlled by CADH with CADH being directly controlled by Kastrup Airports Parent ApS (KAP), company reg. (CVR) no. 33781903. The ultimate controlling shareholders of CAD, CADH and KAP are Arbejdsmarkedets Tillægspension (ATP) and Ontario Teachers' Pension Plan Board (OTPP), via their respective underlying holding companies. Until 24th of November 2017, OTPP and MEIF3 jointly owned and controlled KAP.

KAP is the ultimate holding company of CAD. The consolidated Annual Report of KAP, in which CAD is included as a subsidiary, may be obtained from Azets Insight A/S, Lyskær 3C, 2730 Herlev, Denmark.

CAD owns 57.66% of both the shares and voting rights in CPH.

All transactions between the company and its related parties have been on general market conditions.

For additional information on ATP and OTPP, see www.atp.dk and www.otpp.com.

9. Fees for auditors elected on the general meeting

Refer to the audit cost in the consolidated annual report.