Copenhagen Airports Denmark ApS

CVR no. 29144249

Annual Report 2021

16. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 30 May 2022

Torben Christensen

Torben Christensen

Contents

Management's Statements

Today, Management has considered and adopted the Annual Report of Copenhagen Airports Denmark ApS for the financial year 1 January 2021 - 31 December 2021.

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 2021 and of the results of the Company's operations for the financial year 1 January 2021 - 31 December 2021.

In our opinion, the Management's Review include 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, 30 May 2022

Executive Board

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Charles Thomazi

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Henrik Urbak-Mård
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Henrik Urbak-Mård

DocuSigned by:
Torben Christensen
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Torben Christensen

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David Stanton
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David Mark Stanton

Independent Auditor's Report

To the Shareholders of Copenhagen Airports Denmark ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of Copenhagen Airports Denmark ApS at 31 December 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Copenhagen Airports Denmark ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the ad-ditional requirements applicable in Denmark. Our responsibilities under those standards and re-quirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Inter-national Ethics Standards Board for Accountants' International Code of Ethics for Professional Ac-countants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2 in the Financial Statements, which indicates that the Company most likely risk being in breach of debt covenants when testing in December 2022. This event, along with other matters as set forth in note 2, indicate that a material uncertainty exists that may cast signifi-cant doubt upon the Company's ability to continue as a going concern. However, it is Management's assessment that such commitments will be obtained which is why the Financial Statements have been prepared on the basis of going concern. Our opinion is not modified in respect of this matter.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Fi-nancial Statements Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities 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 determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report

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 liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Den-mark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be ex-pected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain au-dit 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 one resulting from er-ror as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit proce-dures 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 the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a mate-rial uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty ex-ists, we are required to draw attention in our auditor's report to the related disclosures in the fi-nancial 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent 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 that we identify during our audit.

Hellerup, 30 May 2022

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-no. 33771231

Søren Ørjan Jensen
State Authorised Public Accountant
mne33226

Company details

Company	Copenhagen Airports Denmark ApS c/o Private Equity Administrators ApS Frederiksborgvej 171 3450 Allerød
CVR no.	29144249
Date of Formation	18. October 2005
Registered Office	Allerød
Financial year	1 January 2021 - 31 December 2021
Executive Board	Charles Thomazi Torben Christensen Henrik Urbak-Mård David Mark Stanton
Parent Company	Kastrup Airports Parent ApS c/o Private Equity Administrators ApS Frederiksborgvej 171 3450 Allerød
Administration Company	Kastrup Airports Parent ApS c/o Private Equity Administrators ApS Frederiksborgvej 171 3450 Allerød
Auditors	PriceWaterhouseCoopers Statsauriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup CVR no. 33771231

Management's Review

The Company's principal activities
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 2021 - 31 December 2021 shows a negative result of DKK 630m and the Balance Sheet at 31 December 2021 a balance sheet total of DKK 10,619m and an equity of DKK 196m.

Expectations for the future

Whilst 2022 has started better than 2021 in terms of passenger levels, the global aviation industry continues to face uncertainty from the ongoing COVID-19 pandemic.

European air traffic is anticipated to improve in 2022 versus 2021. However, the long-haul international routes continue to be severely affected by restrictions and passenger hesitation even though countries are slowly reopening. The pandemic will continue to affect the number of flights and passengers, both leisure and business, throughout 2022, and volatility and continued waves of infection may result in renewed disruption of travel patterns.

Additionally, the crisis in Ukraine combined with increasing fuel and energy prices have increased uncertainty.

Due to this continued uncertainty, it is not expected that the Company will receive dividends from its subsidiary during the financial year 2022. The managers of the Company will, through its indirect holdings in Copenhagen Airports A/S ("CPH"), continuously assess and together with management of CPH adjust the level of operational costs and investments in CPH.

Risks

The risk to the distribution level received from Copenhagen Airports A/S (CPH) are the same risks as those of the CPH Group.

Risk management at Copenhagen Airport 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 CPH Group financial statements.

Financing and liquidity

Despite the actions taken, it is highly likely that the Company risks being in breach of EBITDA-based covenants once these are tested in December 2022 in line with current agreements. The Company will during the summer of 2022 prepare a funding plan. Should a need for extension exist, the management board believes that lenders will be supportive towards a further extension of waivers. In the unlikely event that waivers are not granted by the lenders, the management board is confident that the debt market remains available, and credit institutions are expected to be willing to assist the Company with the funds necessary.

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. For information on this work, please refer to Management's Review in the Annual Report 2021 for Kastrup Airports Parent ApS.

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

	2021	2020	2019	2018	2017
Operating profit/loss	-4,515	-7,982	-5,521	-8,337	-5,275
Financial income	3,337	0	543,443	719,731	688,318
Financial expenses	-656,768	-595,235	-594,762	-596,887	-602,118
Net financial income and expenses	-653,430	-595,235	-51,319	122,844	86,200
Profit/loss for the year	-630,098	-480,142	55,206	180,577	180,237
Total equity	195,844	781,825	1,206,350	1,127,442	527,411
Total fixed assets	9,348,026	9,348,026	9,348,026	9,348,026	8,591,279
Return on capital employed (%)	0	0	5	7	7
Return on equity (ROE) (%)	-129	-48	5	22	42
Solvency ratio (%)	2	8	13	11	5

Income Statement

	Note	2021 '000 Kr.	2020 '000 Kr.
Other external expenses	3	(4,515)	(7,982)
Profit/(Loss) from ordinary operating activities		**(4,515)**	**(7,982)**
Other finance income from group enterprises		3,337	-
Finance expenses arising from group enterprises		(435,980)	(368,824)
Other finance expenses		(220,788)	(226,411)
Profit/(Loss) from ordinary activities before tax		**(657,945)**	**(603,217)**
Tax expense on ordinary activities	4	27,847	123,075
Profit/(Loss)	5	**(630,098)**	**(480,142)**

Balance Sheet as of 31 December

	Note	2021 '000 Kr.	2020 '000 Kr.
Assets			
Long-term investments in group enterprises	6	9,348,026	9,348,026
Investments		**9,348,026**	**9,348,026**
Fixed assets		**9,348,026**	**9,348,026**
Other receivables & prepayments		162,525	103,500
Short-term receivables from group enterprises		443,871	857,404
Tax receivables from group enterprises		15,404	108,130
Receivables		**621,800**	**1,069,034**
Cash and cash equivalents		**649,648**	**370,178**
Current assets		1,271,448	1,439,211
Assets		**10,619,474**	**10,787,237**

Balance Sheet as of 31 December

	Note	2021 '000 Kr.	2020 '000 Kr.
Liabilities and equity			
Contributed capital		11,000	11,000
Retained earnings		184,844	770,825
Equity		**195,844**	**781,825**
Financial institutions and other loans	7	1,711,884	1,711,884
Other debt incurred by issuance of bonds	7	3,610,756	4,147,812
Payables to group enterprises	7	4,388,087	3,023,148
Other payables		110,879	168,327
Long-term liabilities other than provisions		**9,821,606**	**9,051,171**
Other debt incurred by issuance of bonds	7	601,200	-
Trade payables		97	95
Payables to group enterprises		-	928,960
Other payables		727	25,185
Short-term liabilities other than provisions		**602,024**	**954,240**
Liabilities other than provisions within the business		**10,423,630**	**10,005,412**
Liabilities and equity		**10,619,474**	**10,787,237**
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Statement of Changes in Equity

	Contributed Capital '000 Kr.	Retained Earnings '000 Kr.	Total '000 Kr.
Equity 1 January 2021	11,000	770,825	781,825
Net adjustments of hedging instruments	-	44,117	44,117
Profit/(Loss)	-	(630,098)	(630,098)
Equity 31 December 2021	11,000	184,844	195,844

Share classes:

	Number of shares	Nominal value of shares
A-shares	1,000	5,000
B-shares	2,175,000	10,875,000
C-shares	24,000	120,000
Total	**2,200,000**	**11,000,000**

Notes

1. Accounting Policies

Reporting Class
The Annual Report of Copenhagen Airports Denmark ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

Reporting currency
The Annual Report is presented in Danish kroner.

General Information

Basis of recognition and measurement
The financial statements have been prepared under the historical cost principal.

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. If this is the case, an impairment will be made to reduce the carrying amount of the asset to its recoverable amount.

Notes

Income Statement

Other external expenses
Other external costs include costs for administration.

Income from 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 based on 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, amortisation of financial assets and liabilities as well as surcharges and allowances under the tax prepayment scheme.

Dividends from equity investments are recognised as income in the financial year in which the dividends are declared.

Tax on net profit 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 jointly taxed. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

Notes

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 continuingly be recognised in the Income Statement.

Current tax assets and 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.

Notes

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.

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	=	Profit/Loss for the year x 100 Avg. Equity
Return on capital employed (%)	=	(Operating profit + Financial income) x 100 Avg. Assets
Solvency ratio (%)	=	Total equity x 100 Total assets

2. Going concern

In adopting the going concern basis for preparing these financial statements, CAD's management has considered the effect from the ongoing COVID-19 pandemic and the related impact on cash flow and liquidity position together with factors likely to affect the future development and performance.

CAD has agreed waiver agreements with its existing lenders during 2021 which relieve CAD from certain loan covenants up to but not including 31 December 2022. This ensures that CAD will be able to continue to meet its financial commitments. The waiver agreements require CAD's subsidiary CPH to meet a liquidity covenant.

It is highly likely that CAD and its subsidiary (CPH) risk being in breach of certain loan covenants once these are to be tested in December 2022 in line with current agreements. CAD and CPH will during summer 2022 initiate negotiations with existing lenders and conclude on funding plans and any potential further waiver extensions. Should a need for extension exist, management believe that lenders will be supportive towards a further extension of waivers. Management is confident that the debt market remains available, and credit institutions are expected to be willing to assist CAD and CPH with the funds necessary.

The impact of COVID-19 has created considerable uncertainty for the aviation industry in terms of the timing of the recovery. The need to seek waiver agreements indicates the existence of a material uncertainty which may cast significant doubt about CAD's ability to adopt a going concern basis of preparation for the financial statements. Management assess that CAD will maintain sufficient liquidity over the next 12 months and given the underlying credit quality of the business, will be able to secure the necessary and timely support of its lenders.

After reviewing the current liquidity position, financial forecasts and potential risks considering the committed funding facilities, it is management's assessment that CAD is a going concern and hence the financial statements have been prepared on a going concern basis.

These financial statements do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the financial statements had not been prepared on a going concern basis.

3. Executive board fee

The executive board has not received any fee in 2021 (2020: nil).

4. Tax Expense

	2021 '000 Kr.	2020 '000 Kr.
Tax expense for the year	27,847	123,817
Tax expense for the previous years	-	(742)
	27,847	**123,075**

5. Proposed Distribution of Results

Dividends	-	-
Retained earnings	(630,098)	(480,142)
	(630,098)	**(480,142)**

6. Disclosure in long-term investments in Group enterprises and associates

Group enterprises

Name	**Registered office**	**Share Held in %**	**Equity, mDKK**	**Profit, mDKK**
Copenhagen Airports A/S	Copenhagen	59.3	2,515	(517)
			2,515	**(517)**

7. Long-term liabilities

	Due within 1 year '000 Kr.	**Due within 1 to 5 years '000 Kr.**	**Due after 5 years '000 Kr.**
Debt to banks	-	1,711,884	-
Other debt raised by issuance of bonds	601,200	3,610,756	-
Payables to group enterprises	-	-	4,388,087
	601,200	**5,322,640**	**4,388,087**

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.

Bonds not issued in DKK 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 (valid for 12 months) regarding interest and repayments on loan until the Company has sufficient liquidity.

Loan costs for future amortisation included in "Other debt raised by issuance of bonds" amounted to DKK (13.6)m in 2021 and DKK (17.8)m in 2020.

Notes

8. Contingent liabilities

The Company is jointly taxed with the other enterprises in the Kastrup Airports Parent ApS group (KAP 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.

9. Collaterals and securities

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 9,998m.

10. Related parties

Copenhagen Airports Denmark ApS (CAD), company reg. (CVR) no. 29144249 is directly controlled by Copenhagen Airports Denmark Holding ApS (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) directly and Ontario Teachers' Pension Plan Board (OTPP), via OTPP's underlying holding company.

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 Private Equity Administrators ApS, Frederiksborgvej 171, 3450 Allerød, Denmark.

CAD owns 59.3% 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

11. Fees for auditors elected on the general meeting

Please refer to the audit cost in the consolidated annual report.