

Copenhagen Airports Denmark ApS

CVR no. 29144249

Annual Report 2020

15. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 1 June 2021



Torben Christensen

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Management's Statements

Today, Management has considered and adopted the Annual Report of Copenhagen Airports Denmark ApS for the financial year 1 January 2020 - 31 December 2020.

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 2020 and of the results of the Company's operations for the financial year 1 January 2020 - 31 December 2020.

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, 1 June 2021


Executive Board

DocuSigned by:

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Charles Thomazi


Ulrik Dan Weuder



David Mark Stanton


Torben Christensen

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 2020, and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of the Company for the financial year 1 January - 31 December 2020, 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 additional requirements applicable in Denmark. Our responsibilities under those standards and requirements 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, 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 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 Financial 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 Denmark 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 expected 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 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 one resulting from error 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 procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the
- 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 material 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 exists, we are required to draw attention in our auditor's 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 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.

Copenhagen, 1 June 2021

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 2020 - 31 December 2020
Executive Board	Charles Thomazi Torben Christensen Ulrik Dan Weuder 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 2020 - 31 December 2020 shows a negative result of DKK 480m and the Balance Sheet at 31 December 2020 a balance sheet total of DKK 10.787m and equity of DKK 781m.

Expectations for the future

Global aviation continues to face significant uncertainty from the ongoing COVID-19 pandemic as well as other factors such as economic uncertainty and climate change.

The pandemic will continue to affect the number of flights and passengers in 2021, both in terms of leisure and business travel. Airlines have announced that they will continue to operate with reduced capacity and will scale their business based on demand.

Due to the structural uncertainty that COVID-19 has created for air travel in Denmark and the rest of the world, and significant uncertainty about how long the situation will last, it is currently not possible to make a reasonable assessment of the financial outlook of the Company. There is still significant uncertainty as to how and when travel restrictions will be lifted, and it is therefore not possible to give an outlook for passenger numbers, revenue, pre-tax profit and total investments.

The managers of the Company will through its direct 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

Due to the COVID-19 pandemic and the associated travel restrictions, the Company is unlikely to meet its covenants in 2021. The lenders have agreed to waivers, thereby securing financing and liquidity through 2021.

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 2020 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

	2020	2019	2018	2017	2016
Operating profit/loss	-7,982	-5,521	-8,337	-5,275	-4,047
Financial income	0	543,443	719,731	688,318	680,444
Financial expenses	-595,235	-594,762	-596,887	-602,118	-603,902
Net financial income and expenses	-595,235	-51,319	122,844	86,200	76,542
Profit/loss for the year	-480,142	55,206	180,577	180,237	121,702
Total equity	781,825	1,206,350	1,127,442	527,411	323,335
Total fixed assets	9,348,026	9,348,026	9,348,026	8,591,279	8,591,279
Return on capital employed (%)	0	5	7	7	7
Return on equity (ROE) (%)	-48	5	22	42	42
Solvency ratio (%)	8	13	11	5	3

Income Statement

	Note	2020 <u>1.000 Kr.</u>	2019 <u>1.000 Kr.</u>
Other external expenses	2	<u>(7,982)</u>	<u>(5,521)</u>
Profit/(Loss) from ordinary operating activities		<u>(7,982)</u>	<u>(5,521)</u>
Income from investments in group enterprises and associates		-	543,443
Finance expenses arising from group enterprises		(368,824)	(367,816)
Other finance expenses		<u>(226,411)</u>	<u>(226,945)</u>
Profit/(Loss) from ordinary activities before tax		<u>(603,217)</u>	<u>(56,840)</u>
Tax expense on ordinary activities	3	<u>123,075</u>	<u>112,046</u>
Profit/(Loss)	4	<u>(480,142)</u>	<u>55,206</u>

Balance Sheet as of 31 December

	Note	2020 1.000 Kr.	2019 1.000 Kr.
Assets			
Long-term investments in group enterprises	5	9,348,026	9,348,026
Investments		9,348,026	9,348,026
Fixed assets		9,348,026	9,348,026
Other receivables & prepayments		103,500	149,097
Short-term receivables from group enterprises		857,404	752,794
Tax receivables from group enterprises		108,130	105,352
Receivables		1,069,034	1,007,243
Cash and cash equivalents		370,178	606,312
Current assets		1,439,211	1,613,555
Assets		10,787,237	10,961,581

Balance Sheet as of 31 December

	Note	2020 1.000 Kr.	2019 1.000 Kr.
Liabilities and equity			
Contributed capital		11,000	11,000
Retained earnings		770,825	1,195,350
Equity		781,825	1,206,350
Financial institutions and other loans	6	1,711,884	1,711,884
Other debt incurred by issuance of bonds	6	4,147,812	4,222,988
Payables to group enterprises	6	3,023,148	3,023,148
Other payables		168,327	205,595
Long-term liabilities other than provisions		9,051,171	9,163,615
Trade payables		95	2,384
Payables to group enterprises		928,960	560,136
Other payables		25,185	29,095
Short-term liabilities other than provisions		954,240	591,616
Liabilities other than provisions within the business		10,005,412	9,755,231
Liabilities and equity		10,787,237	10,961,581
Contingent liabilities	7		
Guarantees and pledges	8		
Related parties	9		
Fees for auditors elected on the general meeting	10		

Statement of Changes in Equity

	Contributed Capital 1.000 Kr.	Retained Earnings 1.000 Kr.	Total 1.000 Kr.
Equity 1 January 2020	11,000	1,195,350	1,206,350
Net adjustments of hedging instruments	-	55,617	55,617
Profit (loss)	-	(480,142)	(480,142)
Equity 31 December 2020	11,000	770,825	781,825

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 2020 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to 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

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.

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).

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.

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.

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

2. Executive board fee

The executive board has not received any fee in 2020 (2019: nil).

3. Tax Expense

Tax expense for the year
Tax expense for the previous years

	2020	2019
	1.000 Kr.	1.000 Kr.
	123,817	112,046
	(742)	-
	123,075	112,046

4. Proposed Distribution of Results

Dividends
Retained earnings

	-	-
	(480,142)	55,206
	(480,142)	55,206

5. 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	2,659	-638
			2,659	-638

6. Long-term liabilities

	Due within 1 year 1.000 Kr.	Due within 1 to 5 years 1.000 Kr.	Due After 5 years 1.000 Kr.
Debt to banks	-	1,711,884	-
Other debt raised by issuance of bonds	-	3,161,302	986,510
Payables to group enterprises	-	-	3,023,148
	-	4,873,186	4,009,658

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" in 2020 DKK (17,8)m and in 2019 DKK (22,4)m.

Notes

7. 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.

8. 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 9.718m.

9. 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

10. Fees for auditors elected on the general meeting

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