Kastrup Airports Parent ApS

c/o Private Equity Administrators ApS
Frederiksborgvej 171
3450 Allerød

CVR. nr. 33781903

Annual Report for 2019

The Annual Report is presented and approved
at the Company's Annual General Meeting
at 25 June 2020

Torben Christensen

Contents

Statement by the Executive Board

The Executive Board have today considered and adopted the Annual Report of Kastrup Airports Parent ApS (the "Parent Company") for the financial year 1 January – 31 December 2019.

The full annual report, including the financial statements of the Parent Company will be filed with the Danish Business Authority, and copies are also available from the Danish Business Authority on request. The full annual report has the following Management's statement and auditor's report.

The allocation of the profit for the year is described on page 9.

The Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU, and the Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Financial Statements give a true and fair view of the financial position at 31 December 2019 of the Group (See definition on page 8) and the Parent Company and of the results of the Group and Parent Company operations and consolidated cash flows for the financial year 1 January - 31 December 2019.

In our opinion, the Management's Review section below includes a true and fair account of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the year and of the financial position of the Group and the Parent Company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent Company.

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

Copenhagen, 25 June 2020

Torben Christensen	Charles Thomazi
Ulrik Dan Weuder	David Mark Stanton

Independent Auditor's Report

To shareholders of Parent Company

Opinion
In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 31 December 2019 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2019 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 31 December 2019 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Kastrup Airport Parent ApS for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as statement of comprehensive income and cash flow statement for the Group "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 Group 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 Financials Statements Act.

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

Independent Auditor's Report

Management's Responsibilities for the Financial Statements
Management is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of Parent Company 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.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent 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 Group or the Parent 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 Group's and the Parent 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 material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent 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 Group and the Parent Company to cease to continue as a going concern.

Independent Auditor's Report

- 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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, 25 June 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Søren Ørjan Jensen

State Authorised Public Accountant

mne33226

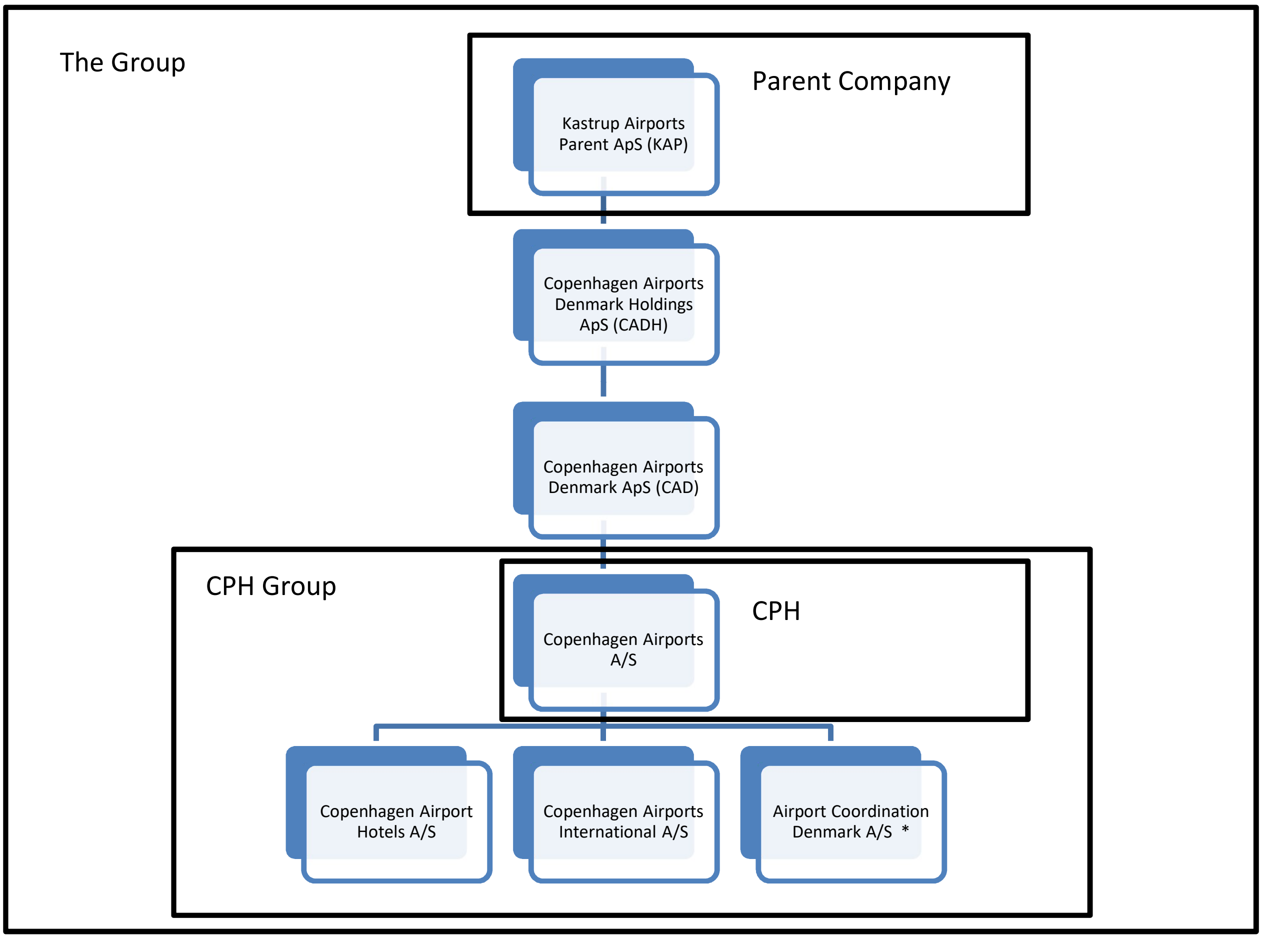
Company information

Executive Board	Charles Thomazi Ulrik Dan Weuder David Mark Stanton Torben Christensen
The Company	Kastrup Airports Parent ApS c/o Private Equity Administrators ApS Frederiksborgvej 171 3450 Allerød
CVR-nr.	33781903
Date of foundation	07-07-2011
Financial year	01-01-2019 - 31-12-2019
Auditor	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup

Management's Review

The Management of the Parent Company submits the following review of the Group for the financial year ended 31 December 2019.

The objective of the Parent Company is holding shares in other companies. The Parent Company's current primary activity is the holding of shares in other companies and the funding of these shareholdings. A structure diagram is presented below.



* Note: this entity is an associate of CPH and is therefore not consolidated but accounted for using the equity method

As the ultimate controlling entity, the Parent Company is required to prepare a Group annual report for the entire Danish group shown above (the "Group"). A CPH Group statement is also prepared by Copenhagen Airports A/S ("CPH"), a limited company, domiciled in Denmark and listed on NASDAQ OMX. The entities included in the CPH Group statement are hereafter referred to as the "CPH Group". For a more detailed review of the CPH Group, please refer to the CPH Group Annual Report, available at www.cph.dk.

Management's Review

Group financial highlights and key ratios

Group financial highlights and key ratios

DKK million	2019	2018	2017	2016	2015
Income statement					
Revenue	4.346	4.445	4.439	4.422	4.062
EBITDA	2.363	2.502	2.602	2.498	2.252
EBIT	1.425	1.574	1.814	1.793	1.577
Net financing costs	1.036	2.218	920	914	897
Profit before tax	390	-644	894	879	680
Net profit	148	-949	563	505	379
Statement of comprehensive income					
Other comprehensive income	91	52	47	-83	78
Comprehensive income	239	-897	610	421	456
Balance sheet					
Property, plant and equipment	12.995	11.726	10.584	9.800	9.403
Financial investments	117	86	1.096	340	246
Total assets	15.241	13.462	13.124	12.279	11.454
Equity	-9.454	-9.321	-7.572	-7.674	-7.945
Cash flow statement					
Cash flow from operating activities	1.544	1.760	720	1.763	1.612
Cash flow from investing activities	-2.140	-1.759	-1.473	-1.023	-1.145
Cash flow from financing activities	770	194	65	-462	-423
Cash at end of period	828	653	458	1.147	868
Key ratios					
EBITDA margin	54,4%	56,3%	58,6%	56,5%	55,4%
EBIT margin	32,8%	35,4%	40,9%	40,5%	38,8%

The definitions of ratios are in line with the recommendations from 2015 made by the Association of Danish Financial Analysts, except for the ratios not defined by the Association.

Management's Review

Financial review

Income statement
EBIT fell by 9 % to DKK 1,425 million. This was mainly driven by a decrease in aeronautical revenue as well as higher depreciation charges due to the continued high level of investment.

Balance sheet
Total equity and liabilities are DKK 15,241 million as at 31 December 2019 (2018: DKK 13,462 million). The increase was mainly attributable to the higher investment levels in the Group.

As the operating activities of the Group predominantly take place at the CPH Group level, Management refer to the CPH Group Annual Report, which sets out these activities in further detail.

The expected development of the Group

Global aviation is under pressure from among other factors the outbreak of the Coronavirus Covid-19 and associated economic uncertainties. The outbreak significantly affects the number of flights as airlines have cancelled and reduced operations in line with declining demand.

Due to the great uncertainty COVID-19 has created for air travel in Denmark and the rest of the world and uncertainty about the duration of the situation, it is currently not possible to make a reasonable assessment of the financial impact of the Coronavirus at this time. Hence, it is not possible to give an outlook range for revenue and profit before tax and total investments, but the changed operation will have a negative impact on the Group's revenue as well as net profit for 2020 compared to the revenue and net profit realized in 2019. As a consequence, CPH will continuously assess and adjust the level of operational costs and investments.

The Company have not received dividends during the year and as a consequence lost the equity. Due to COVID-19 Management does not expect dividends to be received in the coming years. As a consequence, Management intends to restore equity through conversion of debt at latest in 2021 so that positive equity is obtained.

Financing and liquidity

Due to the Covid-19 pandemic and the associated travel restrictions, the Group is unlikely to meet its covenants in 2020. The lenders have agreed to waivers, thereby securing financing and liquidity in 2020.

In addition, CAD, CADH and KAP have received a letter of financial support from its respective parent companies, confirming that current loans and possible future loans to their parent companies will not be called unless liquidity of the company is adequate in order to repay its obligations. These letters of support are effective until at least 12 months after the date of signing of this Annual Report.

Risk factors

The key operational risks faced by the Group arise in relation to the operations 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.

The main types of risks are 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.

In addition, the Group faces a risk relating to uncertainty surrounding the claims made by the Danish tax authorities regarding the collection of withholding taxes on dividends and interest between 2006 and 2010.

The Danish Tax Authority (SKAT) has made various tax claims against its subsidiary, CADH regarding the collection of withholding tax. CADH has disputed all the claims made against it.

On 26th February 2019 the European Court of Justice (ECJ) ruled in a few test cases in favor of the Danish tax authorities position. These covered similar issues to those of CADH relating to withholding tax for interest and dividends. The ruling will now be considered by the Danish Courts.

Consequently, CADH made a provision and write down of receivables in 2018 accounts for the dividend withholding tax amount. The net provision for these interest and withholding tax cases has increased by DKK100m in the 2019 accounts.

Depending on the outcome of the ruling by the Danish courts on the withholding tax cases, and ongoing work being undertaken on the actual flow of final dividends to the ultimate beneficiaries, uncertainty remains on the final amount including late payment interest, if any. CADH continues to work closely with its advisors to progress the appeals process.

The annual result compared with the expected development in the recent published annual report

The developments in the Group report have been satisfactory.

Report on Corporate Social Responsibility and the Gender Composition in Management Introduction
The Parent Company is the parent company of the Group which includes the following companies:

- Copenhagen Airports Denmark Holdings ApS
- Copenhagen Airports Denmark ApS
- Copenhagen Airports A/S

Work in relation to Corporate Social Responsibility in the Group is in all material aspects defined by the activities carried out in CPH. Therefore, the reporting of the Group’s work in relation to Corporate Social Responsibility is identical to that of CPH, which is summarized below.

CPH is one of Denmark’s largest workplaces and a transport hub for millions of travelers. We acknowledge that CPH has an impact on its surroundings from a corporate, social and environmental perspective.

Social performance

Work environment and health

We are committed to ensuring that our airport is an attractive place to work for current and future employees. One of the ways we do that is by investing in employee engagement, development and well-being. Our goal is to create jobs and skills for the future. We are preparing for new job types, new ways of working and for new skills.

We aim to create the best working conditions and professional development opportunities for our people throughout their careers, for example by improving working environment through digitalization and automation and by developing new ways and scopes of working.

Employee influence and development in focus

The Group understands that building employees' competences is critical for its success.

It is important that employees of CPH can influence and develop their job responsibilities. That is why we have a deep commitment to giving our employees responsibility for their own tasks. However, we are also mindful of giving our employees the opportunity to influence the overall sustainable transition and development of the airport.

In 2019, a new model for the ongoing dialogue between leaders and employees was introduced. The Check-In model provides a forum for aligning expectations in which employees and leaders can discuss performance, learning targets and job development. It can also be used for giving and receiving feedback.

High employee satisfaction and management rating

The Group recognizes the critical importance of employee satisfaction.

In the annual employee satisfaction survey, CPH scored a rating of index 81 out of 100, on par with last year's high rating. The survey produced a high response rate of 88.5%. The survey measures strengths and weaknesses, and this year, we improved from six to seven strengths. A new strength this year was that employees perceive their workload as appropriate – while obviously there will be extra busy periods for the staff. We believe the added strength is a result of managers and staff having become better at aligning their expectations. CPH's management was given a similar, high rating, also at index 81/100. The management rating also shows that first-line managers were rated better than last year, which is very important, as first-line managers make up 48% of CPH managers.

Diversity and Inclusion

The Group believes that a diverse workforce is essential for ensuring future growth and creating a good relationship with passengers, business partners and other stakeholders.

We are currently further developing our diversity and inclusion strategy. The goal is to create opportunities for everyone by defining scope and eliminating barriers preventing all employees from working on equal terms.

Management's Review

Jobs for seniors

Many of our employees remain with us for many years. This is something we are very grateful for, and in 2019 we introduced a seniors' scheme intended to provide a positive setting for our employees during their final years with CPH until retirement

We have set up jobs for seniors and give them the option of working reduced hours at reduced pay, and of taking unpaid leave and senior days off. We can also help seniors review their skills and retrain for jobs in our new Senior Corps that are physically less demanding, such as service jobs, construction site watchmen or fire watchmen.

Gender distribution at the management level

The Group and especially CPH plays an important role in Danish society, and passengers and business partners have an international background that requires a diverse mindset and understanding. The Group believes it can achieve better performance by having a management team that is diverse in respect of gender, age and experience, as this diversity means varied management styles and working cultures, more innovation, better networking and business development, etc.

In 2019, CPH continued to focus on increasing the share of women on the board of CPH. It now consists of 2 out of 6 elected at the annual general assembly, and hence is in compliance with "Erhvervsstyrelsens" guidelines. In addition, we are constantly focusing on increasing the proportion of female managers in our recruitment process, and we expect our search partners to present candidates of both genders each time vacant positions are to be filled. Also, we make our job postings targeted to appeal to both women and men. We always employ the best qualified candidate for the job. In addition, we are committed to ensuring that our HR development activities develop and lift both male and female talents preparing them for the leadership role. The activities support CPH's goal that the proportion of female managers should correspond to the proportion of female employees. In 2019 the share was 28% and 38% respectively (2018: 28% and 35% respectively).

We aim to achieve diversity with a max of 70% of same gender and age in large teams in CPH including the different management levels. To ensure this, we work with various initiatives such as our recruitment process and development efforts.

Gender Composition in the Boards of Directors in CPH and Management in CAD, CADH and KAP

In 2019, the proportion of women among the shareholder-elected members of the Board of Directors/Management was:

- 33% at CPH
- 0% at CAD
- 0% at CADH
- 0% at KAP

The Management of CAD, CADH and KAP have not met the target figure of 30%. The board composition has changed since last year as one manager has resigned. The Management aims to achieve its target before the end of 2024.

Global occupational injuries
Another key indicator for the working environment is the number of occupational injuries. The Group through CPH work actively to reduce the number of occupational injuries.

CPH works continually to prevent and limit occupational injuries. We apply a broad range of initiatives, and a large part of our effort is executed through a special Health and Safety Fund which is the source to achieving numerous improvements large and small alike.

The number of injuries per mill. working hours in 2019 was on level with 2018, 7.9 with a target of 7.5. For external workers at construction sites it decreased sharply in 2019. In 2018, we had 21.5 injuries per mill. working hours, while in 2019, that number was 9.1. In other words, we met our target for 2019 of fewer than 21.5 injuries per mill. working hours. The reduction reflects that we hired an additional health and safety consultant and reduced the complexity of several building projects in 2019. Avoiding industrial accidents has also been a strong focus for our senior management and our staff.

Safety
Maintaining a sound and safe working environment is part of our DNA. The ambition is for everyone to feel safe when performing their work at the airport – every day and year-round. That applies both to our own employees and to the people working for our partners. No one should fall victim to occupational injury.

Absence due to illness
At CPH, we make a committed effort to ensure the wellbeing of our employees and on preventing illness.

This year, we have expanded the Health Leadership program to include a new policy on the psychological working environment. We introduced a new tool in 2019 that will help us prevent absence due to illness and help employees affected by illness return to work smoothly and as soon as possible.

In 2019, we defined a new and expanded scope for the airport health center that provides better ways of designing programs that support and safeguard the health and safety and psychological working environment of our employees. The overall rate of absence due to illness in 2019 was 5.28%. Our target is to reduce the rate of absence to below 4.65% in 2020.

Working actively to address noise & air quality issues
The Group through CPH takes responsibility for the people who work at the airport and it is actively working to improve the working environment.

Air traffic noise is one of the most tangible environmental impacts from airport operations. We therefore work with a wide range of partners to address this issue. 12 measuring stations monitor noise every day of the year, six of which are located in the urban areas close to the airport and six on the airport compound.

Air quality within and around the airport area may be affected by emissions from aircraft and vehicle engines. We work systematically to improve air quality out of consideration for our neighbors and the working environment at the airport. A key element of this work is reducing the number of ultrafine particles. During the 2011-2016 period, we successfully reduced the number of ultrafine particles by more than 50% at the center of the airport's apron area. According to measurements performed in 2019, the number of particles was maintained at this lower level.

Business Ethics and Human Rights

Anti-corruption
The Group will not tolerate corruption, including bribery and extortion. If an employee is implicated in corruption, it can have serious consequences both for the employee in question and for the Group.
CPH Group launched a whistleblower scheme in 2012. The purpose is to provide an open corporate culture in which everyone can express themselves freely, including if they become aware of any irregularities or unlawful activity.
The whistleblower scheme enables employees and other CPH Group stakeholders to submit reports about serious matters. In 2019, CPH continued operating the scheme in order to monitor potential inappropriate behavior.

A responsible business partner
CPH has supported the ten UN Global Compact principles regarding human rights, workers' rights, environment and anti-corruption since 2011. As a Global Compact signatory, CPH reports on activities undertaken to incorporate the ten principles in its strategy, operations and corporate culture. As part of these efforts, CPH also works to communicate the ten principles to its suppliers and business partners.

Respect for human rights and data protection
CPH supports and respects the protection of internationally proclaimed human rights and does not take part in any activity that violates such rights. CPH is focused to ensure respect for human rights in connection with passenger security checks and handling of personal data.

The Group is not aware of any complaints submitted to the Danish Data Protection Agency in 2019 regarding the processing of personal data by CPH Group.

Environmental performance

Sustainable aviation
Our objective is to expand our positive role in society and to contribute to sustainable travel in the future. That implies, among other things, that we take responsibility for the impact of the airport on the surrounding community. We do that in many different ways.

We are working on a green transition of the airport and Danish aviation, we are focused on providing a healthy and safe working environment for our employees, and we contribute to the positive development of our local community.

Climate
In March 2019, CPH launched a climate strategy setting out to make airport operations and air traffic carbon and emissions-free by 2050, and we are already on track to deliver on this goal.

Towards sustainable air travels, we achieved our sub-goal of making airport operations carbon-neutral in 2019. We are now working towards our next sub-goal of making airport operations and land transport emissions-free by 2030.

In June, we achieved ACA carbon neutrality accreditation in recognition of having achieved carbon-neutral operations for all emissions over which we have control. The accreditation was granted based on our long-standing, systematic climate and environmental efforts and our carbon offsetting of remaining emissions through a climate and development project in Laos concerning energy-efficient cookers. Worldwide, 61 airports, 50 of which are located in Europe, have achieved carbon neutrality accreditation.

We are now embarking on developing solutions to ensure emissions-free airport operations and land transport by 2030.

Waste

CPH handles more than 5,000 tons of waste each year. It is essential that we recycle as much of that waste as possible. To that end, we have defined a target to recycle at least 60% of waste from day-to-day operations in the terminal area, the service area and the administrative area by 2023. In 2019, 27% of the waste from day-to-day operations was recycled, an increase of 6%-points compared to 2018. The total waste volume in 2019 was 5,385 tons, which equals the amount of waste in 2018. Unfortunately, the level of recycling is lower than we would have liked. The main challenges we have had were in our bio-waste system, which failed to supply the expected capacity.

Taxation

The Group is an important contributor of taxes to the Danish State. This applies both to taxes expensed by the Group and taxes collected (in transit). The Group's total tax contribution amounted to DKK 1,3 billion in 2019 including company taxes, environmental and energy taxes, salary taxes etc., VAT and property taxes.

In 2018, the Group was among the top 25 contributors of corporation tax in Denmark.

Group structure, ownership, tax strategy

CPH and its subsidiaries operate two airports and own a hotel, all in Denmark, and as such are primarily subject to Danish taxes. An associate in Denmark is subject to independent taxation. CAD holds 59.3% of the shares in CPH. CAD is indirectly controlled by the Parent Company, which is the ultimate Danish holding company. CPH is jointly taxed with the Parent Company which, as the administration company in the joint taxation scheme, is responsible for the filing of corporation tax returns and related communication with the Danish tax authorities regarding corporation tax. In this context, CPH reports to the Parent Company.

Risk management & risks

As most of the risk management and risks is placed with CPH, we included the information from the CPH Group annual report below.

Management's Review

Risk management, risks & internal controls

With CPH being exposed to a wide range of risks, a holistic risk management approach is an important management tool for the company.

Method and approach to risk management at CPH
The CPH approach to risk management is proactive and consistent, ensuring that risks are handled systematically with the involvement of relevant competencies across our company. Risk management is thus an integral part of our business activities and is aimed at preventing and preparing for incidents, reducing uncertainty, leveraging opportunities and facilitating the fulfilment of CPH's strategic goals.

Integrating current risk scenarios into our decision-making processes across the organisation enables us to make decisions that are susceptible to one or more risks in accordance with the defined level of risk tolerance.

Internal controls
CPH works actively to maintain its internal controls, anchoring them firmly in the organisation and engaging employees in their execution.

This includes CPH's exposure to fraud and breaches of ethical policies and an assessment of the company's overall risk exposure.

Governance structure, organisation of risk management and internal controls
The responsibility for risk management, compliance and internal controls lies with the Board of Directors. The Board monitors risk management through the Audit and Risk Committee and has delegated responsibility for the ongoing development and implementation to management. The Group Risk Manager monitors and facilitates the practical execution of risk management. To achieve better risk management and internal controls efficiency, CPH applies the "Three Lines of Defence" model.

This model supports effective communication on risk management, compliance and internal control by specifying the distribution of roles and responsibilities within the following three groups:

- → Functions that own and manage risks
- → Functions that monitor risks
- → Functions that provide independent assurance.

The responsibility for individual risks is embedded throughout the organisation and handled by selected *risk owners* in the various business units. This includes the identification, evaluation, management, control and reporting of risks, as well as the provision of an informed decision-making basis consistent with CPH's risk tolerance. All risks are carefully discussed, balanced and quality-assured at individual meetings with risk owners and at management group meetings in the respective business units in advance of the quarterly ERM reporting. From 2020, ERM reporting will be prepared on a semi-annual basis.

Significant risks
CPH is exposed to risks of a strategic, financial and operational nature, as well as risks relating to the airport's reputation. CPH's overall risk profile rarely changes significantly from one year to the next. On the following page, risks that we consider of particular significance are addressed.

Financial risk
The Finance Department is responsible for addressing the company's financial risks. The Board of Directors approves the principles and framework governing CPH's financial risk management at least once a year. For further information about how financial risks are managed, see note 4.3 to the financial statements, pages 88-92.

	Description	Impact	Mitigation
Safety and security	Safety comes first and before everything else in a workplace like CPH. Employee and passenger safety is therefore at the core of our risk management. In accordance with CPH's risk tolerance, safety has the highest priority and is the focus of our daily activities. Our ambition is to retain our position as one of the most efficient airports in the world in terms of managing safety.	Accidents or violations of security rules can have very serious consequences at a place of work like CPH where approx. 22,100 people go to work and 83,000 travellers on average pass through every day. As an airport, we focus on delivering precise and reliable operations while complying with applicable regulations and keeping the safety and requirements of employees and passengers in focus.	Monitoring, preventing and responding to safety and security incidents takes a very comprehensive effort on the part of CPH. For example, we have developed specific emergency response plans in close dialogue with our business partners. These emergency response plans enable us to respond to potential incidents at short notice. Each month, CPH measures and reports on incidents based on adopted KPIs. In addition, CPH is subject to a large number of regulatory safety and security requirements that are continuously monitored and checked by the Danish Transport, Construction and Housing Authority.
Environment and climate	CPH takes its environmental responsibility seriously and is working long-term and systematically to minimise its environmental impact and to ensure environmental responsibility in terms of both operating and developing the airport. The challenges of climate change are attracting a lot of attention these days, at national as well as international level. The demands made on our business are changing rapidly. At the same time, it is becoming increasingly imperative that we take responsibility, identify opportunities and find solutions to the challenges we face.	Airport operations can impact the environment in many different ways, e.g. in terms of noise, air quality, surface water, wastewater and groundwater. Our approach to building, including the handling and transportation of construction materials, waste, resource consumption and recycling, widely affects our environmental and climate impact.	As per our risk tolerance, CPH seeks out innovative methods and solutions to environmental challenges, often in partnership with others and always in compliance with relevant environmental regulations. We work systematically to ensure that the airport is operated and developed responsibly with respect to the climate and the environment. This approach is firmly embedded in CPH's activities and decision-making processes.
IT security breaches	Digitalisation is a strategic focal point for CPH. This requires that we are innovative and use the digitalisation wave as a lever for growth. As a result, it is particularly important that CPH's IT strategy supports this objective.	CPH is highly dependent on well-functioning and reliable IT systems supporting our ability to run the airport efficiently and ensure passenger safety. Cybercrime is a concrete threat insofar as hackers can cause disruption that extends far beyond the actual incident.	At CPH, we are strongly focused on protecting our IT systems against hacking, cybercrime and viruses. With this in mind, we have adopted an IT security strategy to reduce the risk of CPH's IT systems being compromised or harmed.
Regulation	As a partly state-owned, privately owned and regulated business, CPH is governed by the regulatory framework laid down by national and EU policy-makers.	Within this regulatory framework, our business model is focused on making the airport as efficient and attractive as possible for customers, thereby creating the greatest possible value to society, business partners, employees and owners.	CPH follows relevant authorities to stay updated on new and amended legislation. Where appropriate, CPH provides consultation responses and participates in relevant trade organisations. CPH is engaged in an ongoing dialogue with relevant authorities – both nationally and in the EU.
Capacity	In order to support the 2017 national aviation strategy, CPH works actively to enhance international connectivity.	The most critical capacity process areas are security checks, baggage handling and passport control as smooth passage through these is vital for timely passenger departure. We therefore consider these areas to have a major impact on our daily operations and reputation.	We plan and execute expansion projects based on expected developments with airline customers and in passenger volumes, taking into account agreed service levels and operational flexibility and efficiency.

Consolidated Income statement, 1 January - 31 December

Note	DKK million	2019	2018
	Traffic revenue	2.415,2	2.574,8
	Concession revenue	1.392,4	1.360,7
	Rent	181,5	181,0
	Sale of services, etc.	356,6	328,3
2.1	**Revenue**	**4.345,7**	**4.444,8**
	Other income	1,8	2,2
2.2	External costs	539,5	594,3
2.3	Staff costs	1.444,5	1.350,7
3.1	Amortisation and depreciation	938,1	928,0
	Operating profit	**1.425,4**	**1.574,0**
4.1	Financial income	7,1	6,2
4.1	Financial expenses	1.042,7	2.224,5
	Profit before tax	**389,7**	**(644,3)**
2.4	Tax on profit for the year	241,7	304,3
	Net profit for the year	**148,0**	**(948,6)**
	Non-controlling interest of subsidiaries	(415,3)	(449,9)
	Net loss for the year attributable to shareholders	**(267,2)**	**(1.398,5)**

Statement of comprehensive income, 1 January - 31 December

Note	DKK million	2019	2018
	Net profit for the year	**148,0**	**(948,6)**
	Items that are reclassified to the income statement		
	Currency translation of equity in foreign branch	(0,8)	(0,7)
	Value adjustments of hedging instruments	177,8	182,3
4.1	Value adjustments of hedging instruments transferred to financial income and expenses in the income statement	(59,5)	(115,6)
2.4	Tax on other comprehensive income	(26,3)	(14,7)
	Other comprehensive income for the year	**91,2**	**51,3**
	Total comprehensive income for the year	**239,2**	**(897,3)**
	Non-controlling interest of subsidiaries	(442,8)	(466,7)
	Total comprehensive income for the year	**(203,6)**	**(1.364,0)**

Balance sheet, Assets at 31 December

Note	DKK million	2019	2018
	NON-CURRENT ASSETS		
3.2	**Total intangible assets**	**391,2**	**456,0**
3.3	**Property, plant and equipment**		
	Land and buildings	5.764,8	5.103,3
	Plant and machinery	4.249,6	4.080,4
	Other fixtures and fittings, tools and equipment	750,2	649,5
	Property, plant and equipment in progress	2.230,2	1.893,0
	Total property, plant and equipment	**12.994,8**	**11.726,2**
	Financial investments		
3.4	Investments in associates	0,4	0,4
4.3	Other financial assets	116,6	85,8
	Total financial investments	**117,0**	**86,2**
	Tax receivable	**284,9**	**0,0**
	Total non-current assets	**13.787,9**	**12.268,4**
	CURRENT ASSETS		
	Receivables		
5.1	Trade receivables	427,7	473,4
	Other receivables	130,1	7,8
	Prepayments	67,4	59,4
	Total receivables	**625,2**	**540,6**
	Cash	**828,3**	**653,2**
	Total current assets	**1.453,5**	**1.193,8**
	Total assets	**15.241,4**	**13.462,2**

Balance sheet, Equity and liabilities at 31 December

Note	DKK million	2019	2018
	EQUITY		
	Share capital	0,3	0,3
	Reserve for hedging	(173,5)	(231,4)
	Cost of hedge	(10,1)	(16,5)
	Retained earnings	(10.650,3)	(10.382,4)
	Non-controlling interests	1.379,3	1.309,1
	Total equity	**(9.454,3)**	**(9.320,9)**
	NON-CURRENT LIABILITIES		
2.4	Deferred tax	1.035,2	1.015,2
2.4	Income tax	572,1	187,4
4.2	Payable to related party	7.229,2	6.660,4
4.2	Financial institutions and other loans	12.074,5	12.467,5
5.2	Other payables	39,6	37,9
	Total non-current liabilities	**20.950,6**	**20.368,4**
	CURRENT LIABILITIES		
4.2	Financial institutions and other loans	2.248,7	631,2
	Prepayments from customers	304,9	340,9
	Trade payables	643,9	714,7
2.4	Income tax	98,9	202,3
4.3, 5.2	Other payables	442,9	518,1
	Deferred income	5,8	7,5
	Total current liabilities	**3.745,1**	**2.414,7**
	Total liabilities	**24.695,7**	**22.783,1**
	Total equity and liabilities	**15.241,4**	**13.462,2**

Statement of changes in equity, 1 January - 31 December

Note DKK million	2019						2018					
	Share capital	Reserve for hedging	Cost of hedging	Retained earnings	Non-controlling interest	Total	Share capital	Reserve for hedging	Cost of hedging	Retained earnings	Non-controlling interest	Total
Equity at 1 January	**0,3**	**(231,4)**	**(16,5)**	**(10.382,4)**	**1.309,1**	**(9.320,9)**	**0,3**	**(249,4)**	**(33,5)**	**(8.625,1)**	**1.336,0**	**(7.571,7)**
Equity addition during the year	-	-	-	-	-	-	-	-	-	(756,7)	-	(756,7)
Increase of capital	-	-	-	-	-	-	0,0	-	-	398,4	-	398,4
Comprehensive income for the year												
Net profit for the year	-	-	-	(267,2)	415,3	148,1	-	-	-	(1.398,5)	449,9	(948,6)
Other comprehensive income												
Currency translation of equity in foreign branch	-	-	-	(0,7)	(0,3)	(1,0)	-	-	-	(0,5)	(0,2)	(0,7)
Value adjustments of hedging instruments	-	85,5	6,4	-	46,7	138,6	-	71,5	17,0	-	53,8	142,3
Value adjustments of hedging instruments transferred to financial	-	(27,6)	-	-	(18,8)	(46,4)	-	(53,5)	-	-	(36,8)	(90,3)
Total other comprehensive income	**-**	**57,9**	**6,4**	**(0,7)**	**27,6**	**91,2**	**-**	**18,0**	**17,0**	**(0,5)**	**16,8**	**51,3**
Total comprehensive income for the year	**-**	**57,9**	**6,4**	**(267,9)**	**442,9**	**239,3**	**-**	**18,0**	**17,0**	**(1.399,0)**	**466,7**	**(897,3)**
Transactions with owners												
Dividends paid	-	-	-	-	(372,7)	(372,7)	-	-	-	-	(493,6)	(493,6)
Total transactions with owners	**-**	**-**	**-**	**-**	**(372,7)**	**(372,7)**	**-**	**-**	**-**	**-**	**(493,6)**	**(493,6)**
Equity at 31 December	**0,3**	**(173,5)**	**(10,1)**	**(10.650,3)**	**1.379,3**	**(9.454,3)**	**0,3**	**(231,4)**	**(16,5)**	**(10.382,4)**	**1.309,1**	**(9.320,9)**

Cash flow statement, 1 January - 31 December

Note	DKK million	2019	2018
	CASH FLOW FROM OPERATING ACTIVITIES		
5.3	Received from customers	4.354,8	4.503,2
5.3	Paid to staff, suppliers, etc.	(2.040,9)	(1.956,8)
	Cash flow from operating activities before financial items and tax	2.313,9	2.546,4
5.3	Interest received, etc.	4,7	1,9
5.3	Interest paid, etc.	(422,6)	(444,4)
	Cash flow from operating activities before tax	1.896,1	2.103,9
2.5	Income taxes paid	(351,8)	(343,9)
	Cash flow from operating activities	**1.544,3**	**1.760,0**
	CASH FLOW FROM INVESTING ACTIVITIES		
3.3	Payments for property, plant and equipment	(2.050,3)	(1.620,2)
3.2	Payments for intangible assets	(91,0)	(141,1)
	Sales of property, plant and equipment	1,8	2,3
	Cash flow from investing activities	**(2.139,5)**	**(1.759,0)**
	CASH FLOW FROM FINANCING ACTIVITIES		
	Investment in capital	-	(756,7)
	Increase of capital	-	398,4
	Other advances	(0,6)	-
4.2	Repayments of long-term loans	(2.169,2)	(651,2)
4.2	Proceeds from long-term loans	2.951,4	2.458,1
4.2	Repayments of short-term loans	(1.387,7)	(1.580,0)
4.2	Proceeds from short-term loans	1.748,7	818,3
	Dividends paid	(372,3)	(492,9)
	Cash flow from financing activities	**770,3**	**194,0**
	Net cash flow for the year	**175,1**	**195,0**
	Cash at beginning of year	**653,2**	**458,2**
	Cash at end of year	**828,3**	**653,2**

1.1 SIGNIFICANT ACCOUNTING POLICIES

To make the report more manageable and readable, the accounting policies and the estimates and judgements for specific items are placed together with the appropriate note, and all information related to the item is in one place.

Basis of preparation of the financial statements
The Group is a limited company domiciled in Denmark and CPH Group is listed on Nasdaq Copenhagen.

The consolidated financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and further requirements applicable in Denmark.

The financial statements of the Parent Company, Kastrup Airports Parents ApS, are prepared in accordance with the Danish Financial Statements Act.

Significant accounting estimates
The estimates made by the Group in determining the carrying amounts of assets and liabilities are based on assumptions that are subject to future events. These include, among other things, estimates of the useful lives of property, plant and equipment, and their residual values. Estimates and underlying assumptions are based on historical data and a number of other factors that Management considers relevant under the given circumstances. There are no changes in the estimates made by the Group in determining the carrying amounts compared to 2018. The carrying amounts of these items are disclosed in notes 3.2 and 3.3.

For a description of the Group’s risks, see note 4.3 on financial risks.

General information
The consolidated financial statements are prepared under the historical cost principle. Assets and liabilities are subsequently measured as described below. This is unchanged from 2018.

Basis of consolidation
The Group Annual Report comprises the Parent Company, Kastrup Airports Parents ApS, and companies where the Parent Company directly or indirectly controls the majority of the votes or in some other way controls the companies (subsidiaries). Companies where the Group controls less than 50 % of the votes and does not have control but exercises significant influence are considered associates.

In the consolidation, intercompany income and expenses, shareholdings, dividends and balances, and realized and unrealized intercompany gains and losses on transactions between the consolidated companies are eliminated.

The Group’s Annual Report is prepared on the basis of the financial statements of the Parent Company and the subsidiaries. The financial statements used in the consolidation are prepared in accordance with the Group’s accounting policies.

Other income
Other income contains items of a secondary nature relative to the Group’s primary activities, including gains and losses on sales of assets.

Foreign currency translation
The Group's functional currency is the Danish krone (DKK). This currency is used as the measurement and presentation currency in the preparation of the Annual Report. Therefore, currencies other than DKK are considered foreign currencies.

Transactions denominated in foreign currencies are translated at the exchange rate ruling at the transaction date. Gains and losses arising as a result of differences between the exchange rate at the transaction date and the exchange rate at the date of payment are recognized in the income statement as Financial income or Financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies that have not been settled on the balance sheet date are translated at the exchange rates ruling at the balance sheet date.

Statement of comprehensive income
The Group presents comprehensive income in two statements: an income statement and a statement of comprehensive income, showing the results of operations for the year and income included in other comprehensive income. Other comprehensive income comprises hedging transactions. Tax related to other comprehensive income for the individual items is disclosed in the relevant notes.

Equity
Dividend
Dividends expected to be declared in respect of the year are stated under equity. Dividends are recognized as a liability at the time of adoption by the shareholders at the Annual General Meeting.

Reserve for hedging
The reserve for hedging transaction contains the accumulated net change in the fair value of hedging transactions that meet the criteria for hedging future cash flows and where the hedged transaction has not yet been realized.

The reserve is dissolved, when the hedged transaction is realized, if the hedged cash flows are no longer expected to be realized or the hedging relationship is no longer effective.

Cost of hedge
Cost of hedging includes total cost of hedging for hedge transactions. Expenses are dissolved, when the hedged transaction is realized.

Prepayments and deferred income
Prepayments recognized under assets comprise costs incurred relating to the following financial year and are measured at nominal value.

Deferred income recognized under liabilities comprises payments received relating to income in subsequent financial years and is measured at nominal value.

Cash flow statement
The cash flow statement shows the Group's cash flows for the year distributed between operating, investing and financing activities as well as the net changes in cash for the year and the Group's cash at the beginning and end of the year.

Cash and cash equivalents
Cash includes cash and balances on accounts available at no or short notice.

Cash flow from operating activities
The cash flow from operating activities comprises payments from customers less payments to employees, suppliers, etc., adjusted for financial items paid and income taxes paid.

Cash flow from investing activities
The cash flow from investing activities comprises cash flows from the purchase and sale of intangible assets and property, plant and equipment.

Cash flow from financing activities
The cash flow from financing activities comprises cash flows from the raising and repayment of long-term and short-term debt to financial institutions as well as dividends paid to shareholders.

1.2 RECENTLY ADOPTED ACCOUNTING STANDARDS AND INTERPRETATIONS FOR IMPLEMENATION

With effect from 1 January 2019, the group has implemented the following amended standards and Interpretations:

- IFRS 16 Leases
- Amendments to IFRS 9: Prepayment Features with Negative Compensation and modifications of financial liabilities
- IFRIC 23 on uncertainty over Income Tax Treatments

The above has not had a material impact on recognition and measurement in the Group Annual Report.

The implementation of the abovementioned standards does not have an effect on the result or the CPH Groups financial statements in general.

New standards, amendments and interpretations adopted but not yet effective
The IASB has issued the following new accounting standards and interpretations that are not mandatory for CPH Group in the preparation of the Group Annual Report for 2019:

- IFRS 17 Insurance Contracts
- IFRS 3 Business Combinations - Amendments to IFRS 3
- IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Amendments to IAS 1 and IAS 8: Definition of Material
- Conceptual Framework - Amendments to References to the Conceptual Framework in IFRS Standards.

The above standards and interpretations have not yet been adopted by the EU.

The adopted standards and interpretations not yet taking into effect are implemented as they become mandatory for CPH Group. It is assessed that the above standards and interpretative will have an impact on the recognition and measurement in CPH Group Annual Report.

Note	DKK million

1.3 **One-off items**

Accounting policies
One-off items comprise revenue and expenses of an exceptional nature relative to CPH's operating activities, such as costs incurred for structuring of processes and structural adjustments as well as any gains and losses on divestments related thereto and which, over time, are of material importance. Other amounts of a one-off nature are also included in this line item, including gains on the divestment of operations.

		2019			**2018**		
		Including one-off items	**One-off items**	**Excluding one-off items**	**Including one-off items**	**One-off items**	**Excluding one-off items**
2.1	Revenue	4.345,7	-	4.345,7	4.444,8	-	4.444,8
	Other income	1,8	-	1,8	2,2	-	2,2
2.2	External costs	539,5	(4,0)	535,5	594,3	(26,8)	567,5
2.3	Staff costs	1.444,5	(13,1)	1.431,4	1.350,7	(7,4)	1.343,3
	EBITDA	**2.363,5**	**17,1**	**2.380,6**	**2.502,0**	**34,2**	**2.536,2**
3.1	Amortisation and	938,1	-	938,1	928,0	-	928,0
	Operating profit	**1.425,4**	**17,1**	**1.442,5**	**1.574,0**	**34,2**	**1.608,2**
4.1	Net financing costs	1.035,6	-	1.035,6	2.218,3	-	2.218,3
	Profit before tax	**389,7**	**17,1**	**406,8**	**(644,3)**	**34,2**	**(610,1)**
2.4	Tax on profit of the year	241,7	3,8	245,5	304,3	7,5	311,8
	Profit after tax	**148,0**	**13,3**	**161,3**	**(948,6)**	**26,7**	**(921,9)**

Note DKK million

2 Results of the year

2.1 Revenue

Accounting policies
The accounting policies for recognition and measurement of segmental information are the same as for the income statement and balance sheet.

The operating results of the segments comprise directly attributable revenue less related operating costs. Operating costs comprise external costs, staff costs and amortisation and depreciation.

Segment assets comprise non-current assets used directly in the operating activities of each segment and current assets directly attributable to the operating activities of each segment, including trade receivables, other receivables, prepayments and deferred income. Jointly used properties are allocated to the segments on the basis of an overall estimate of the amount of space used.

Segment liabilities comprise liabilities that have arisen out of the segment's operations, including prepayments received from customers, trade payables and other payables.

	2019	2018
Traffic revenue		
Take-off charges	432,0	451,0
Passenger charges	1.113,6	1.191,6
Security charges	604,9	609,3
ETD charges	8,3	43,1
Handling	191,8	202,8
Aircraft parking, CUTE etc.	64,6	77,0
Total traffic revenue	**2.415,2**	**2.574,8**
Concession revenue		
Shopping centre	917,3	875,3
Car parking	403,9	418,5
Other concession revenue	71,2	66,9
Total concession revenue	**1.392,4**	**1.360,7**
Rent		
Rent from premises	125,8	127,2
Rent from land	50,3	48,4
Other rent	5,4	5,4
Total rent	**181,5**	**181,0**
Sales of services etc.		
Hotel operation	66,4	65,4
Other sales of services etc.	290,2	262,9
Total sales of services etc.	**356,6**	**328,3**
Total revenue	**4.345,7**	**4.444,8**

Composition of revenue	**2019**					
	Aeronautical segment	**Non-aeronautical segment**				
DKK mill.	Traffic revenue	Concession revenue*	Car parking	Rent*	Other services	Total
Total on segments	**2.415,2**	**988,5**	**403,9**	**181,5**	**356,6**	**4.345,7**
Time of recognition						
- At a certain time	2.415,2	-	403,9	-	-	2.819,1
- Over time	-	988,5	-	181,5	356,6	1.526,6
Total	**2.415,2**	**988,5**	**403,9**	**181,5**	**356,6**	**4.345,7**
Type of contract						
- Fixed price	2.415,2	101,3	403,9	181,5	356,6	3.458,5
- Revenue-based contracts	-	887,2	-	-	-	887,2
Total	**2.415,2**	**988,5**	**403,9**	**181,5**	**356,6**	**4.345,7**

Composition of revenue	**2018**					
	Aeronautical segment	**Non-aeronautical segment**				
DKK mill.	Traffic revenue	Concession revenue*	Car parking	Rent*	Other services	Total
Total on segments	**2.574,8**	**942,2**	**418,5**	**181,0**	**328,3**	**4.444,8**
Time of recognition						
- At a certain time	2.574,8	-	418,5	-	-	2.993,3
- Over time	-	942,2	-	181,0	328,3	1.451,5
Total	**2.574,8**	**942,2**	**418,5**	**181,0**	**328,3**	**4.444,8**
Type of contract						
- Fixed price	2.574,8	106,4	418,5	181,0	328,3	3.609,0
- Revenue-based contracts	-	835,8	-	-	-	835,8
Total	**2.574,8**	**942,2**	**418,5**	**181,0**	**328,3**	**4.444,8**

* Concession and rent is recognised in accordance with IFRS 16 – Leases.

Note	DKK million

CPH's revenue consists only of services in the aeronautical and non-aeronautical segments.
Concession charges (except concessionaires who are on a minimum charge) related to the shopping centre and other concessions are subject to the level of activity.
There is no financing element, as payment terms follow cash payment on delivery or 14 days credit.

	2019	2018
Maturity analysis of concession and rent (IFRS 16)		
Within 1 year	1.050,7	1.085,9
Between 1 and 2 years	1.002,9	995,7
Between 2 and 3 years	992,8	941,6
Between 3 and 4 years	569,3	928,3
Between 4 and 5 years	393,7	501,2
After 5 years	3.657,5	3.783,3
Total	**7.666,9**	**8.236,0**

Notes to the financial statements

Note	DKK million		
2.2	**External costs**		

Accounting policies
External costs comprise administrative expenses, sales and marketing expenses, and other operating and maintenance costs.

	2019	2018
Operation and maintenance	350,7	374,5
Energy	90,4	100,8
Administration	73,8	96,5
Other	24,6	22,5
Total external costs	**539,5**	**594,3**

External costs decreased by DKK 54.8 mill. compared to 2018. This was mainly due to favourable prices on energy, focus on energy improvements and lower consultancy costs. This was partly offset by more PRM handlings (Persons with Reduced Mobility) and increased costs following expanded capacity. See also note 1.3 on one-off items.

In 2019, CPH incurred one-off items of DKK 4.0 mill., mainly related to restructuring (2018: DKK 26.8 mill.). See note 1.3 for an overview of one-off items.

2.3 **Staff costs**

Accounting policies
Staff costs comprise salaries, wages and pension contributions for the Group staff, including the Executive Management, fees to the Board of Directors and other staff costs.

Regular pension contributions under defined contribution plans are recognised in the income statement for the period in which they arise. For civil servants seconded by the Danish State, CPH recognises a pension contribution in the income statement, which is fixed each year by the State and paid to the State on a regular basis.

DKK million	2019	2018
Salaries and wages	1.415,6	1.353,8
Pension contributions	118,6	112,8
Other social security costs	10,7	10,3
Other staff costs	59,8	52,5
	1.604,7	1.529,4
Less work performed on own accounts	160,2	178,7
Total staff costs	**1.444,5**	**1.350,7**

Number of people employed by CPH		
Average number of full-time employees	2.539	2.472
Of which civil servants who, pursuant to the Copenhagen Airports Act, retain their status as State employees	15	18

In 2019, salaries and wages increased by DKK 93.8 mill., mainly due to an increase in headcount of 67 full-time employees, the annual salary adjustment and a decrease in capitalisation on the many investments.

The executive board in Kastrup Airports Parents ApS have not received any fee in 2019 (0 in 2018).

The Group makes annual pension contributions to the Danish State. These contributions are paid for those employees who, under their contracts of employment, are entitled to a pension from the Danish State. The rate of pension contributions is fixed by the Minister for Finance and was 21.2% in 2019 (2018: 21.2%). In 2019, these pension contributions amounted to DKK 0.9 mill. (2018: DKK 1.1 mill.).

In 2019, the Group incurred one-off cost items of DKK 13.1 mill. (2018: DKK 7.4 mill.) related to restructuring, including redundancy payments. See note 1.3 for an overview of one-off items.

Notes to the financial statements

Note	DKK million
2.4	**Tax on profit for the year**

Accounting policies
Copenhagen Airports A/S is taxed jointly with Kastrup Airports Parent ApS (KAP), Copenhagen Airports Denmark Holding ApS (CADH) and Copenhagen Airports Denmark ApS (CAD), and the two wholly owned subsidiaries Copenhagen Airports International A/S (CAI) and Copenhagen Airport Hotels A/S (CAH). KAP is the administrative company for the jointly taxed companies and settles corporation taxes due to the tax authorities. CPH, CAI and CAH pay tax on account to KAP and settle tax underpaid/overpaid with KAP.

Income tax for the year, consisting of the year's current tax and the year's change in deferred tax, is recognised in the income statement at the amount that can be attributed to the profit for the year, and posted directly in other comprehensive income at the amount that can be attributed to movements therein.

Current tax liabilities are carried on the balance sheet as current liabilities to the extent such items have not been paid. Tax overpaid on account is included as a separate line item under Receivables. Interest and allowances regarding tax payments are recognised under Financial income and Financial expenses.

Deferred tax is calculated according to the balance sheet liability method on all temporary differences between the carrying amount and tax base of assets and liabilities.

Deferred tax is calculated on the basis of the tax rules and tax rates that will apply under the legislation in force at the balance sheet date when the deferred tax item is expected to crystallise as current tax. Changes in deferred tax resulting from changes in tax rates are recognised in the income statement.

Deferred tax assets are recognised in the balance sheet at the value at which they are expected to be realisable.

Tax expense	**2019**	**2018**
Current income tax	247,7	339,4
Change in deferred tax	20,0	(20,4)
Total	**267,7**	**319,0**
Tax is allocated as follows:		
Tax on profit for the year	241,7	304,3
Tax on other comprehensive income related to hedging instruments	26,0	14,7
Total	**267,7**	**319,0**
Breakdown of tax on profit for the year		
Tax calculated at 22.0% of profit before tax	247,7	339,4
Tax effect of:	-	-
Non-deductible costs including effect of interest limitation etc.	11,5	(0,2)
Total	**259,2**	**339,2**
Provisions for deferred tax		
Balance at 1 January	1.015,2	1.035,6
Change in deferred tax	20,0	(20,4)
Balance at 31 December	**1.035,2**	**1.015,2**
Breakdown of deferred tax provisions		
Property, plant and equipment	1.012,9	984,1
Other receivables	(2,2)	(1,7)
Other payables	24,5	32,8
Total	**1.035,2**	**1.015,2**
Income tax payable		
Balance at 1 January	389,7	206,8
Tax paid on account in current year	(147,9)	(137,2)
Payment of tax underpaid in previous year	(203,2)	(206,7)
Accrued tax regarding earlier years	384,7	187,4
Current income tax	247,7	339,4
Balance at 31 December	**671,0**	**389,7**

Notes to the financial statements

Note **DKK million**

3 Investments

3.1 **Amortisation and depreciation**

Accounting policies
Amortisation and depreciation comprise the year’s charges for this purpose on the Group’s intangible assets and property, plant and equipment.

	2019	2018
Software	155,6	133,2
Land and buildings	286,5	299,0
Plant and machinery	319,0	334,7
Other fixtures and fittings, tools and equipment	177,0	161,1
Total amortisation and depreciation	**938,1**	**928,0**

Total amortisation and depreciation charges increased by DKK 10.1 mill. compared to 2018. Depreciation reflects the current level of investment, as well as depreciation in full on facilities related to capacity expansion projects. In 2018, facilities in connection with the building of Pier E and stands were depreciated in full.

3.2 **Intangible assets**

Accounting policies
Software is measured at cost less accumulated depreciation.
Major projects, in which software is the principal element, are recognised as assets if there is sufficient certainty that the capitalised value of future earnings will cover the related costs.
Software costs comprise salaries, amortisation and other costs that can be attributed directly or indirectly to the software. Costs also include interest expenses incurred during the development of the software.
Software projects that are clearly defined and identifiable, where the technical rate of utilisation, adequate resources and potential scope for development in the Group can be demonstrated, and where the intention is to produce and use the project, are recognised as non-current intangible assets, provided there is sufficient assurance that the value in use from future earnings will cover development costs.

Amortisation is charged on a straight-line basis commencing when the project is ready for use. The amortisation period is 3-5 years.

Impairments
The carrying amount of software and software under development is tested at least annually for any impairment beyond that expressed in amortisation charges. Where there are such indications, an impairment charge is made against the recoverable amount of the assets where this is lower than the carrying amount.

The recoverable amount of the asset is determined as the higher of the net selling price and the value in use. The recoverable amount of software is assessed together with other assets in the smallest group of assets, for which a reliable recoverable amount can be determined in an overall assessment.

Estimates and judgements
The estimated useful lives are determined based on historical experience and expectations of future use of the assets. These may prove to be unachievable, which could lead to future reassessment of their useful lives and a need for impairment.

	2019			**2018**		
	Software	**Software under development**	**Total**	**Software**	**Software under development**	**Total**
Cost						
Accumulated cost at 1 January	1.012,4	184,7	1.197,1	990,3	115,7	1.106,0
Additions	-	91,0	91,0	-	141,1	141,1
Disposals	-57,1	-	-57,1	-50,0	-	-50,0
Transferred	146,3	-146,3	-	72,1	-72,1	-
Accumulated cost at 31 December	**1.101,6**	**129,4**	**1.231,0**	**1.012,4**	**184,7**	**1.197,1**
Amortisation						
Accumulated amortisation at 1 January	741,1	-	741,1	657,9	-	657,9
Amortisation	155,6	-	155,6	133,2	-	133,2
Amortisation on disposals	-56,9	-	-56,9	-50,0	-	-50,0
Accumulated amortisation at 31 December	**839,8**	**-**	**839,8**	**741,1**	**-**	**741,1**
Carrying amount at 31 December	**261,8**	**129,4**	**391,2**	**271,3**	**184,7**	**456,0**

Major investments in intangible assets include an upgrade of the CRM system, renewal of CPH’s wireless infrastructure, auto queue system (queue management program to guide passengers through the Security Check to checkpoints with minimum queue), and other IT systems.

Notes to the financial statements

Note	DKK million
3.3	**Property, plant and equipment**

Accounting policies
Property, plant and equipment are measured at cost less accumulated depreciation.

Cost comprises the cost of acquisition and costs directly related to the acquisition up until the time when the asset is ready for use. In the case of self-constructed assets, cost comprises direct costs attributable to the asset, including salaries and wages, materials components, and work performed by subcontractors. Cost also includes interest expenses during construction.

The depreciation base is determined as cost less any residual value. Depreciation is charged on a straight-line basis over the estimated useful lives of the assets and begins when the assets are ready for use.

Land is not depreciated.

Useful lives of property, plant and equipment:

Land and buildings	
Land improvements (sewers etc.)	40 Years
Buildings (terminals, offices etc.)	80-100 years
Buildings (other)	40 years
Fitting out	5-10 years
Plant and machinery	
Runways, roads etc. (foundations)	80-100 years
Surface of new runways, roads etc.	10 years
Technical installations on runways	15 Years
Technical installations (lifts etc.)	20 years
Technical installations in buildings	25 years
Other fixtures and fittings, tools and equipment	
IT equipment	3-5 years
Energy plant	15 years
Vehicles etc.	4-15 Years
Furniture and fittings	10 years
Hotel equipment	15-20 years
Security equipment	10 years
Technical equipment	10 years
Other equipment	5 years

Gains and losses on the sale of non-current assets are recognised under Other income.

Significant estimates and judgements
Property, plant and equipment are depreciated to the estimated residual value over their estimated useful lives, which the Group has estimated above. These estimates are based on the Company's business plans and expected useful lives of the assets, the technical and maintenance state of the assets, and regulatory requirements. The residual value is estimated at DKK 184.7 mill. (2018: DKK 184.7 mill.) at the balance sheet date. The useful lives and residual values of property, plant and equipment are reviewed at least at every year-end based on these factors. The Group evaluates the carrying amounts in order to assess whether events have occurred that require an adjustment of these amounts because they are not expected to be recoverable.

In estimating the runways' useful lives, the Group has chosen to divide the system into three elements: foundations, surfaces and technical installations. The Group's assessment is that each element has a different useful life. The runway surfaces have shorter lives than the foundations due to immediate wear: their useful life expectancy is 10 years. This assessment is supported by historical replacement of runway surfaces and planning for future replacement. Technical installations related to the runways are estimated to have a useful life of 15 years. It is assessed that these technical installations do not have the same useful life as other technical installations, taking into account security measures.

Notes to the financial statements

Note	DKK million

3.3 **Property, plant and equipment, continued**

Impairment
The carrying amount of property, plant and equipment is tested at least annually for any indications of impairment beyond that expressed in the depreciation charges. Where there are such indications, an impairment charge is made against the recoverable amount of the assets where this is lower than the carrying amount.

In assessing the recoverable amount, the Group takes into account significant indicators of potential impairment such as purchase and sales prices, and general market conditions.

DKK million	Land and buildings*	2019 Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
Cost					
Accumulated cost at 1 January	8.498,6	8.228,9	1.985,6	1.893,0	20.606,1
Additions	-	-	-	2.051,1	2.051,1
Disposals	-248,7	-127,6	-39,1	-	-415,4
Transferred	948,0	488,2	277,7	-1.713,9	-
Accumulated cost at 31 December	**9.197,9**	**8.589,5**	**2.224,2**	**2.230,2**	**22.241,8**
Depreciation					
Accumulated depreciation at 1 January	3.395,3	4.148,5	1.336,1	-	8.879,9
Depreciation	286,5	319,0	177,0	-	782,5
Depreciation on disposals	(248,7)	(127,6)	(39,1)	-	(415,4)
Accumulated depreciation at 31 December	**3.433,1**	**4.339,9**	**1.474,0**	**-**	**9.247,0**
Carrying amount at 31 December	**5.764,8**	**4.249,6**	**750,2**	**2.230,2**	**12.994,8**
Of which fixed assest for operational leasing	1.737,3	693,8	148,7	-	2.579,8

* CPH properties have been mortgaged for a total of DKK 514.9 mill. (2018: DKK 573.1 mill.).

Major investments in 2019 included expansion of Terminal 3 landside, construction of Pier E, expansion of cooling capacity and new baggage facilities.

DKK million	Land and buildings*	2018 Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
Cost					
Accumulated cost at 1 January	8.174,4	8.010,3	1.986,0	925,2	19.095,9
Additions	-	-	-	1.937,7	1.937,7
Disposals	(122,5)	(175,0)	(130,0)	-	(427,5)
Transferred	446,7	393,6	129,6	(969,9)	-
Accumulated cost at 31 December	**8.498,6**	**8.228,9**	**1.985,6**	**1.893,0**	**20.606,1**
Depreciation					
Accumulated depreciation at 1 January	3.218,8	3.988,8	1.304,8	-	8.512,4
Depreciation	299,0	334,7	161,1	-	794,8
Depreciation on disposals	(122,5)	(175,0)	(129,8)	-	(427,3)
Accumulated depreciation at 31 December	**3.395,3**	**4.148,5**	**1.336,1**	**-**	**8.879,9**
Carrying amount at 31 December	**5.103,3**	**4.080,4**	**649,5**	**1.893,0**	**11.726,2**
Of which fixed assest for operational leasing	**1.619,4**	**662,4**	**135,7**	**-**	**2.417,5**

* See above.

3.4 **Subsidiaries and associate**

Accounting policies
For a definition of subsidiaries and associated company see note 1.1 Significant accounting policies under Basis of consolidation.

Subsidiaries
- Copenhagen Airport Hotels A/S, Tårnby, Denmark - 100% owned by CPH
- Copenhagen Airports International A/S, Tårnby, Denmark - 100% owned by CPH
- Copenhagen Airports Denmark Holding ApS, Herlev, Denmark - 100% owned by KAP
- Copenhagen Airports Denmark ApS, Herlev, Denmark - 100% owned by CADH

Associate
- Airport Coordination Denmark A/S, Tårnby, Denmark - 50% owned by CPH

Notes to the financial statements

Note	DKK million

4 Financing and financial risks

4.1 **Financial income and expenses**

Accounting policies
Financial income and expenses include interest, realised and unrealised exchange differences, recycled accumulated gains and losses on swaps related to terminated hedges, amortisation of mortgage loans and other loans, including reversal of fair value adjustments of effective hedges of loans, supplements and allowances under the on-account tax scheme. Fair value adjustment of interest elements of swaps classified as a cash flow hedge for accounting purposes is recognised in comprehensive income.

Financial income	**2019**	**2018**
Interest on other receivables	3,5	1,5
Exchange gains	3,6	4,7
Total financial income	**7,1**	**6,2**

Financial income increased by DKK 0,9 million, primarily due to higher interest on other receivables.

Financial expenses	**2019**	**2018**
Interest on debt to financial institutions and other loans, etc.	423,2	442,6
Interest on debt to related party	570,2	546,1
Capitalised interest expenses regarding assets under construction	(60,1)	(51,6)
Exchange losses	2,9	3,6
Other financing costs	101,7	1.278,8
Amortisation of loan costs	4,9	5,0
Total financial expenses	**1.042,7**	**2.224,5**

The financial expenses decreased by DKK 1.281,6 mill. primarily due to no new loans have been obtained in 2019." Should instead be "The financial expenses decreased by DKK 1.281,6 mill. primarily due to the tax receivable write-off in 2018

In calculating loan costs for the cost of assets, an effective interest rate of 2.6% was applied in 2019 (2018: 3.5%), corresponding to the Groups's weighted average cost of capital for borrowings for purchases of property, plant and equipment.

As stated under Currency swaps and Hedging transactions in note 4.3 on financial risks, the Group uses currency swaps to hedge foreign currency loans so that the exchange rate exposure on interest as well as principal is converted from the foreign currency into fixed payments in DKK over the terms of the respective loans. The loans in question have been fully hedged.

Exchange rate adjustments of loans as well as currency swaps (for loan principals) are recognised in Financial income/expenses in the income statement at a net amount of zero, as the exchange rate adjustment of the loans is fully offset by an opposite exchange rate adjustment of the currency swaps.

The net value of the exchange loss recognised in 2019 includes an unrealised exchange loss of DKK 59.5 mill. (2018: unrealised exchange loss of DKK 115.6 mill.) related to long-term loans denominated in USD and GBP offset by an unrealised exchange gain on currency swaps of DKK 59.5 mill. (2018: unrealised exchange gain of DKK 115.6 mill.) relating to the same loans.

Other financing costs mainly consist of write-down of receivable related to the withholding tax cases and less of interest on tax payments and interest costs on commercial exposures.

Amortisation of loan costs relates to costs in connection with the establishment of bank loans and credit facilities.

4.2 **Financial institutions and other loans**

Payables to related parties
CAD, CADH and KAP have received a letter of financial support from its respective parent companies, confirming that current loans and possible future loans to their parent companies will not be called unless liquidity of the company is adequate in order to repay its obligations. These letters of support are effective until at least 12 months after the date of signing of this Annual Report.

Accounting policies
Mortgage loans, loans from financial institutions and other loans are recognised when taken out at the amount received. In subsequent periods, the loans are measured at amortised cost so that the effective interests are recognised in the income statement over the term of the loan.

	2019	**2018**
Non-current liabilities	12.074,5	12.467,5
Current liabilities	2.248,7	631,2
Total	**14.323,2**	**13.098,7**

DKK million	**1 January**	**Cash flow**	**Non-cash changes**		**31 December 2019**
			Reclassification and loan costs	**Foreign exchange movements**	
Long term loans	12.467,5	782,3	(1.219,6)	44,3	12.074,5
Short term loans	631,2	361,0	1.222,1	34,4	2.248,7
Total	**13.098,7**	**1.143,3**	**2,5**	**78,7**	**14.323,2**

DKK million	**1 January**	**Cash flow**	**Non-cash changes**		**31 December 2018**
			Reclassification and loan costs	**Foreign exchange movements**	
Long term loans	10.345,8	2.070,4	(83,7)	135,0	12.467,5
Short term loans	1.280,9	(761,7)	89,4	22,6	631,2
Total	**11.626,7**	**1.308,6**	**5,7**	**157,6**	**13.098,7**

4.2 **Financial institutions and other loans, continued**

The Group had the following loans at 31 December:

DKK million				Carrying amount		Fair value*	
Loan	**Currency**	**Fixed/floating**	**Maturity date**	**2019**	**2018**	**2019**	**2018**
Overdraft	DKK	Floating	-	118,2	57,1	118,2	57,1
Bank Club	DKK	Floating	20. dec 2023	200,0	-	200,0	-
Danske Bank	DKK	Fixed	30. jun 2020	800,0	500,0	800,8	500,1
RD (DKK 58 million)**	DKK	Floating	30. jun 2035	-	48,0	-	48,0
RD (DKK 64 mio.)**	DKK	Fixed	23. dec 2032	44,6	47,6	48,7	48,9
Nordea Kredit**	DKK	Floating	30. dec 2039	450,9	450,9	450,9	450,9
Nordic Investment Bank (NIB)***	DKK	Fixed	12. feb 2026	99,4	114,7	104,7	123,1
Nordic Investment Bank (NIB)****	DKK	Fixed	19. dec 2027	847,1	900,0	900,1	971,6
European Investment Bank (EIB)**	DKK	Fixed	15. dec 2026	250,0	250,0	275,1	247,3
European Investment Bank (EIB)**	DKK	Fixed	07. apr 2032	600,0	600,0	678,5	564,8
European Investment Bank (EIB)**	DKK	Fixed	26. jan 2033	400,0	400,0	459,7	398,4
European Investment Bank (EIB)**	DKK	Fixed	14. aug 2033	600,0	600,0	630,7	554,8
European Investment Bank (EIB)**	DKK	Fixed	12. apr 2034	700,0	-	782,6	-
Credit Agricole *****	DKK	Floating	22. jan 2021	-	1.234,1	-	1.234,1
Credit Agricole *****	DKK	Floating	12. jan 2023	-	458,1	-	458,1
Credit Agricole *****	DKK	Floating	12. dec 2024	1.711,9	-	1.711,8	-
USPP bond	DKK	Fixed	27. aug 2025	1.055,0	1.055,0	1.203,7	1.126,3
USPP bond	USD	Fixed	29. jun 2020	981,4	958,4	1.028,5	992,8
USPP bond	USD	Fixed	22. aug 2023	1.068,2	1.043,1	1.194,2	1.083,1
USPP bond	GBP	Fixed	29. jun 2020	201,6	190,3	212,8	201,1
USPP bond	DKK	Fixed	30. dec 2022	273,1	273,1	273,1	273,1
USPP bond	DKK	Fixed	29. dec 2023	273,2	273,2	273,2	273,2
USPP bond	DKK	Fixed	31. dec 2025	546,3	546,3	546,3	546,3
USPP bond	USD	Fixed	30. dec 2022	333,8	326,0	333,8	326,0
USPP bond	USD	Fixed	29. dec 2023	467,3	456,4	467,3	456,4
USPP bond	EUR	Fixed	29. dec 2023	224,1	224,1	224,1	224,1
EUPP bond	DKK	Floating	22. jan 2024	969,8	969,8	969,8	969,8
EUPP bond	EUR	Floating	22. jan 2026	448,2	448,0	448,2	448,0
EUPP bond	EUR	Fixed	22. jan 2026	560,3	560,0	560,3	560,0
EUPP bond	EUR	Fixed	22. jan 2024	149,4	149,3	149,4	149,3
Total				14.373,7	13.133,4	15.046,5	13.286,6
Loan costs for future amortisation				(50,5)	(34,7)	(50,5)	(34,7)
Total				**(50,5)**	**(34,7)**	**(50,5)**	**(34,7)**
Total				**14.323,2**	**13.098,7**	**14.996,0**	**13.251,9**

* See note 4.3 for a description of the method for determining the fair value of financial liabilities.
** The Group's properties have been mortgaged for a total value of DKK 514.9 mill. (2018: DKK 573.1 mill.).
*** Funding for the expansion of Pier C.
**** Funding for the expansion of Copenhagen Airport, which is expected to be completed by the end of 2024.
***** These loans are issued by a consortium of banks, with Crédit Agricole acting as Agent. These loans are secured by shares in CPH and bank deposits.

The fixed-rate USPP bond loans of USD 307 mill. and GBP 23 mill. (2018: USD 307 mill. and GBP 23 mill.) were swapped to DKK on close of contract, both in terms of principal and interest payments, using currency swaps.

As of year end, the Nordea Kredit loan is floating.

Notes to the financial statements

Note	DKK million

4.3 **Financial risks**

Accounting policies
In connection with the Group's hedging of future financial transactions and cash flows, derivative financial instruments are used as part of the Group's risk management.

Derivative
Derivative financial instruments are initially recognised in the balance sheet at fair value on the transaction date under Other receivables and Other payables, respectively.
Changes in the fair value of derivative financial instruments that are designated as fair value hedges 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 hedged liability.

Changes in the fair value of derivative financial instruments designated as hedges of expected future cash flows are recognised in other comprehensive income and accumulated under Reserve for hedging. If the expected future transaction results in the recognition of non-financial assets or liabilities, amounts previously deferred in other comprehensive income are transferred via other comprehensive income from equity and included in the initial measurement of the cost of the asset or liability, respectively. Other amounts deferred in other comprehensive income as part of equity are transferred to the income statement in the period in which the hedged transaction affects the income statement.

Estimates and judgments
The fair value of interest rate and currency swaps is determined as the present value of expected future cash flows. The fair value of forward exchange contracts and other derivative financial instruments is determined based on observable exchange rates and the swap and forward rates at the balance sheet date. An evaluation of own and counterparty credit risks is also included.

The Group's risk management policy
The Group's financial risks are managed from its head office by the Treasury department. The principles and framework governing CPH's financial management are laid down once a year by the Board of Directors. The financial risks occur primarily as a result of operating and investing activities and are hedged to the greatest extent possible.

Credit risks
The Group's credit risks are primarily related to receivables, bank deposits, securities and derivative financial instruments.

The credit risk regarding receivables arises when CPH's revenue in the form of traffic charges, concession charges, rent etc. is not prepaid, or when customer solvency is not covered by guarantees etc.

The Group's revenue comprises aeronautical revenue from national and international airlines, and non-aeronautical revenue from national and international companies within and outside the aviation industry. As part of CPH's internal procedures regarding risk management, the credit risk relating to customers is monitored on a monthly basis. This is done by reviewing any failure to pay amounts due and assessing whether the customer has financial problems.

The Group's trading partners SAS, Norwegian and Gebr. Heinemann (the largest concessionaire), constitute the most significant concentration of credit risk. The gross receivables from the sale of services to these customers amounted to approximately 40.0% (2018: 36.1%) of the total. SAS's credit rating from Standard & Poor's is B+ (2018: B+). Norwegian does not have a published credit rating but has provided a deposit for rent. Gebr. Heinemann does not have a published credit rating but has provided a banker's guarantee to CPH equivalent to four months' revenue (2018: four months' revenue). The remaining credit risk is distributed among CPH's other customers. See note 5.1 on trade receivables for further information.

Credit risks related to bank deposits, securities and derivative financial instruments arise as a result of uncertainty regarding the counterparty's ability to meet liabilities when due. CPH seeks to limit the credit risk regarding bank deposits and derivative financial instruments by diversifying financial contracts and by entering into contracts only with financial counterparties with satisfactory credit ratings. The credit risk is calculated per counterparty based on the actual market value of the contracts entered into. At the balance sheet date, CPH had no credit risk on derivative financial instruments.

Credit exposure to financial counterparties at 31 December 2019 totalled DKK 19.2 mill. (2018: DKK 159.1 mill.), corresponding to the value of bank deposits and money market deposits, including accrued interest.

Capital management
The Group, itself and on behalf of its subsidiaries, has undertaken not to create or permit to subsist any charge over its assets or those of its subsidiaries, however, charges may in for specific purposes be created up to a maximum permitted amount. Furthermore, the Group has made a commitment to its lenders to comply with a number of other terms and conditions, including financial covenants

Liquidity risk
The Group's liquid assets consist of cash totalling DKK 19.2 mill. (2018: DKK 159.1 mill.) and committed undrawn long-term credit facilities totalling DKK 1,800.0 mill. (2018: DKK 2,000.0 mill.). CPH also has overdraft facilities available of DKK 81.8 mill. (2018: DKK 42.9 mill.). In addition to a general operational risk assessment, the Group endeavours to have minimum undrawn credit facilities of DKK 250.0 mill. at any time so that it is able to meet its obligations at any time and still have the capital resources needed to conduct its business.

A complete overview of payment commitments is disclosed on the following pages. All cash flows are undiscounted and include all liabilities under the contracts. Interest payments on floating-rate debt not yet hedged are recognised at the fixed forward rate from the day the loans are expected to be swapped, based on the yield curve applicable at the balance sheet date. The DKK value of future interest and principal payments on loans in foreign currency is calculated based on the exchange rate at the balance sheet date.

Notes to the financial statements

Note | DKK million

4.3 **Financial risks, continued**

Maturity at 31 December 2019, DKK million	0-1 year	1-5 year	After 5 year	Total*	Fair value level 2*	Carrying amount
Recognised at amortised cost						
Financial institutions and other loans	2.620,1	6.480,5	5.966,5	15.067,1	15.046,5	14.373,7
Payable to related party	-	7.229,2	-	7.229,2	7.229,2	7.229,2
Trade payables	643,9	-	-	643,9	643,9	643,9
Other payables	442,9	-	-	442,9	442,9	442,9
Total	**3.706,9**	**13.709,7**	**5.966,5**	**23.383,1**	**23.362,5**	**22.689,7**
Recognised at fair value						
Derivative financial instruments	2,0	56,5	-	58,5	58,5	58,5
Total	**2,0**	**56,5**	**-**	**58,5**	**58,5**	**58,5**
Total financial liabilities	**3.708,9**	**13.766,2**	**5.966,5**	**23.441,6**	**23.421,0**	**22.748,2**
Recognised at amortised cost						
Cash	828,3	-	-	828,3	828,3	828,3
Trade receivables	427,7	-	-	427,7	427,7	427,7
Other receivables	130,1	-	-	130,1	130,1	130,1
Total	**1.386,1**	**-**	**-**	**1.386,1**	**1.386,1**	**1.386,1**
Recognised at fair value						
Derivative financial instruments	80,6	116,6	-	197,2	197,2	197,2
Total	**80,6**	**116,6**	**-**	**197,2**	**197,2**	**197,2**
Total financial assets	**1.466,7**	**116,6**	**-**	**1.583,3**	**1.583,3**	**1.583,3**

* The fair value of financial liabilities is the present value of the expected future instalments and interest payments, except for trade payables, other payables and receivables, which are stated at the net carrying amount at year-end. A zero-coupon interest rate for similar maturities plus estimated credit cost based upon the present rating of the Company is used as the discount rate. The fair value of derivative financial instruments is determined based on published exchange rates, swap and forward rates, etc. An evaluation of own and counterparty credit risk is also included. The fair value measurement of financial instruments is divided into the following measurement hierarchy:

Level 1: Observable market prices of identical instruments
Level 2: Valuation models primarily based on observable prices or traded prices of comparable instruments
Level 3: Valuation models primarily based on non-observable prices

The fair value of the group's forward exchange contracts and other derivative financial instruments (interest rate and currency swaps) is considered a level 2 fair value measurement, as the fair value is primarily determined directly based on published exchange rates and quoted swap and forward rates at the balance sheet date.

Maturity as at 31 December 2018	0-1 year	1-5 year	After 5 year	Total*	Fair value level 2*	Carrying amount
Recognised at amortised cost						
Financial institutions and other loans	815,3	6.721,6	6.339,9	13.876,8	13.286,6	13.133,4
Payable to related party	-	8.383,1	-	8.383,1	6.660,4	6.660,4
Trade payables	714,7	-	-	714,7	714,7	714,7
Other payables	518,1	-	-	518,1	518,1	518,1
Total	**2.048,1**	**15.104,7**	**6.339,9**	**23.492,7**	**21.179,8**	**21.026,6**
Recognised at fair value						
Derivative financial instruments	-	36,9	287,4	324,3	324,3	324,3
Total	**-**	**36,9**	**287,4**	**324,3**	**324,3**	**324,3**
Total financial liabilities	**2.048,1**	**15.141,6**	**6.627,3**	**23.817,0**	**21.504,1**	**21.350,9**
Recognised at amortised cost						
Cash	653,2	-	-	653,2	653,2	653,2
Trade receivables	473,4	-	-	473,4	473,4	473,4
Other receivables	7,8	-	-	7,8	7,8	7,8
Total	**1.134,4**	**-**	**-**	**1.134,4**	**1.134,4**	**1.134,4**
Recognised at fair value						
Derivative financial instruments	-	36,9	48,9	85,8	85,8	85,8
Total	**-**	**36,9**	**48,9**	**85,8**	**85,8**	**85,8**
Total financial assets	**1.134,4**	**36,9**	**48,9**	**1.220,2**	**1.220,2**	**1.220,2**

* See above.

Notes to the financial statements

Note	DKK million

4.3 **Financial risks, continued**

Market risks

Interest rate risks
It is the Group's policy to hedge interest rate risks on its loans whenever it is considered that the interest payments can be hedged at a satisfactory level. Hedging is normally by means of entering into interest rate swaps under which floating-rate loans are swapped to a fixed interest rate.

For the Group the interest rate swap on the mortgage loan has expired 31 December 2019. Accordingly, there are no outstanding DKK interest rate swaps for mortgage loans at year end (2018: DKK 614,1 mill.). In addition, the Group has interest rate swaps in place for floating EUPP bonds and Credit Agricole loans. Total fair value of the Group's interest rate swaps in 2019 amount to DKK (109.9) mill. (2018: 114,7 mill).

In order to reduce its overall interest rate sensitivity, the Group seeks to ensure that its debt has a duration that to a certain extent takes into account the useful lives of its assets. The duration of the Group’s loans at 31 December 2019 has been determined at approximately 6,3 years (2018: approximately 6,6 years).

Most of the Group’s loan portfolio is at fixed rate or has been swapped to fixed interest rate. Fluctuations in the interest rate level would therefore have only a limited impact on the Group’s income statement.

As the exchange rate and interest rate risk of debt denominated in USD, EUR, GBP and DKK is hedged by USD/DKK, EUR/DKK, GBP/DKK and DKK interest rate swaps, a change in interest rate levels would affect equity.

Sensitivity analysis of the current portfolio of swap contracts

DKK million EFFECT ON EQUITY OF:	2019	2018
An increase in the DKK rate of interest of 1 %-point	170,8	214,1
A decrease in the DKK rate of interest of 1 %-point	(181,4)	(200,3)
An increase in the EUR rate of interest of 1 %-point	(30,3)	(37,1)
A decrease in the EUR rate of interest of 1 %-point	32,1	39,7
An increase in the USD rate of interest of 1 %-point	(30,4)	52,5
A decrease in the USD rate of interest of 1 %-point	31,5	(44,4)
An increase in the GBP rate of interest of 1 %-point	0,5	16,2
A decrease in the GBP rate of interest of 1 %-point	(0,5)	(16,8)

A change in the DKK, EUR, USD or GBP interest rate would have an opposite effect on the loan portfolio. However, as the liability is recognised at amortised cost, it would not impact the carrying amount and thereby equity.

Exchange rate risks
Exchange rate fluctuations would have only a low impact on the Group’s operating results because most of its revenues and costs are settled in DKK.

Currency swaps
Currency swaps have been used to hedge fixed-rate bond loans denominated in USD, EUR and GBP by swapping the exchange rate exposure on both interest and principal from fixed payments in USD, EUR and GBP to fixed payments in DKK throughout the terms of the respective loans. The total notional amount of these outstanding cross-currency swaps at 31 December 2019 was USD 427 mill., EUR 185 mill. and GBP 23 mill. (2018: USD 427 mill., EUR 185 mill. and GBP 23 mill.). The carrying amount of the currency swap contracts amounted to DKK 138,7 mill. (2018: DKK 37,7 mill.).

Hedging transactions
Receivables are measured at amortised cost. Write-downs to offset losses are made in accordance with the simplified expected credit loss model, whereby the total loss is recognised immediately in the income statement at the same time as the receivable is recognised in the balance sheet on the basis of the expected loss in the total life of the receivable.

The recognition of interest on written-down receivables is calculated on the writtendown value with the effective interest for each receivable.

Note DKK million

5 Other notes

5.1 Trade receivables

Accounting policies
Receivables are recognised in the balance sheet at amortised cost less any write-down. Provisions are determined on the basis of an individual assessment of each receivable.

Estimates and judgements
Receivables from sales and services are used in the simplified expected credit loss model, where the expected loss on the receivable is recognised immediately in the income statement. Receivables are monitored on an ongoing basis in accordance with the Group's risk management until realisation. The write-down is calculated based on the expected loss ratio. The loss ratio is calculated on the basis of historical data adjusted for estimates of the effect of expected changes in relevant parameters, such as economic development, political risks, etc. on the market. For receivables where there is no objective indication of impairment at individual level, the remaining receivables for objective indication of impairment are assessed. The objective indications are based on historical loss experiences.

If there is an objective indication that an individual receivable is impaired, such as non-payment of amounts due or financial difficulties of the debtor in the form of payment suspension, bankruptcy, expected bankruptcy or the like, write-down is madeon an individual level.

	2019	2018
Trade receivables	467,9	508,9
Write-down	40,2	35,5
Net trade receivables	**427,7**	**473,4**

Write-down for bad and doubtful debts	**2019**	**2018**
Accumulated write-down at 1 January	35,5	30,2
Change in write-down for the year	2,4	(9,3)
Realised loss for the year	2,8	7,3
Reversal	(0,5)	7,3
Accumulated write-down at 31 December	**40,2**	**35,5**

The year's movements are recognised in the income statement under External costs. The carrying amount is the fair value.

In a number of cases, the Group receives collateral security for sales on credit, mainly regarding non-aeronautical activities, and such collateral is included in the assessment of the write-down required for bad and doubtful debts. The collateral may be in the form of financial guarantees. Of the trade receivables of DKK 427.7 mill. (2018: DKK 473.4 mill.), DKK 101.0 mill. (2018: DKK 167.7 mill.) was covered by collateral security. The maximum credit risk is reflected in the carrying amount of the financial assets in the balance sheet.

The Group's trade receivables at 31 December 2019 included receivables of DKK 40.2 mill. (2018: DKK 35.5 mill.), which were written down to DKK 1.5 mill. (2018: DKK 2.3 mill.) on the basis of individual assessments.

Overdue receivables at 31 December 2019 that had not been written down totalled DKK 72.2 million (2018: DKK 56.0 million). The list of receivables by maturity is as follows:

Overdue but not impaired receivables by maturity	**2019**	**2018**
Less than 30 days	66,0	55,0
30 to 90 days	6,0	2,8
More than 90 days	0,2	(1,8)
Total	**72,2**	**56,0**

5.2 Other liabilities

Accounting policies
Other payables are recognised when, as a result of events occurring on or before the balance sheet date, the Group has a legal or constructive obligation and it is probable that an outflow of economic benefits will be required to settle the obligation. The method for providing for holiday pay was changed in 2019 from a summary to an actual calculation.

Other payables primarily comprise holiday pay liabilities, payroll taxes, VAT and interest payable and are measured at nominal value. Other payables also comprise the fair value of derivative financial instruments.

	2019	2018
Other payables non-current		
Other payables - non-current, incl. Holiday pay, frozen due to news holiday act	39,6	37,9
Balance at 31 December	**39,6**	**37,9**
Other payables - current		
Holiday pay and other payroll items	254,6	288,2
Interest payable	48,3	41,8
Other costs payable	140,0	188,1
Balance at 31 December	**442,9**	**518,1**
Total balance at 31 December	**482,5**	**556,0**

Notes to the financial statements

Note **DKK million**

5.3 **Notes to the cash flow statement**

Received from customers	2019	2018
Revenue	4.345,7	4.444,8
Change in trade receivables and prepayments from customers	9,1	58,4
Total	**4.354,8**	**4.503,2**

Paid to staff, suppliers, etc.	2019	2018
Operating costs	(1.985,1)	(1.945,0)
Change in other receivables, etc.	15,6	(218,1)
Change in cost-related trade payables, etc.	(71,3)	206,3
Total	**(2.040,9)**	**(1.956,8)**

Interest received, etc.	2019	2018
Interest received, etc.	1,0	0,0
Realised exchange gains	3,7	1,9
Total	**4,7**	**1,9**

Interest paid, etc.	2019	2018
Interest paid, etc.	(420,4)	(441,2)
Realised exchange losses	(0,2)	(0,4)
Other financial costs	(0,9)	(1,3)
Other interest expenses	(1,1)	(1,5)
Total	**(422,6)**	**(444,4)**

5.4 **Financial commitments**

The Group is committed to providing redundancy pay to civil servants pursuant to the provisions of the Danish Civil Servants Act, cf. note 2.4.

As of 31 December 2019, the Group had entered into contracts to build facilities totalling DKK 432.5 mill. (2018: DKK 773.6 mill.) and other commitments totalling DKK 44.5 mill. (2018: DKK 72.9 mill.). Major commitments include contracts for capacity expansion of the baggage facility, improvement of wide-body facilities, and expansion of the Terminal 3 airside. Other commitments include administrative, IT and service contracts.

The Group has enteredinto a contract to replace the airport's traffic system for handling aircraft settlement at a purchase price of DKK 23.7 mill. (2018: DKK 53.8 mill.). The commitment covers the investment in software. In addition, the contract includes a commitment in the form of annual service costs contingent on the number of passengers. There may be uncertainty in the calculation of the liability due to the estimated number of passengers. The total commitment amounted to DKK 46.9 mill. (2018: DKK 91.5 mill.) and is specified as follows:

	2019	2018
Within 1 year	7,2	17,7
Between 1 and 5 years	28,6	48,9
More than 5 years	11,1	24,9

In January 2018, Petter Anker Stordalen and the Group entered into an agreement that Nordic Choice Hotels would assume management of the existing airport hotel from 1 April 2018. The existing airport hotel will be upgraded to a high-end Clarion Hotel. The agreement also included the construction of a 600-room Comfort Hotel and a 3,000 m2 conference facility, expected to be opened by Nordic Choice Hotels in 2020. The total budget for upgrading and new construction will be approximately DKK 1.0 billion. When work on the new hotel and conference centre is complete, Petter Anker Stordalen's property company, Strawberry Fields, will hold a 47 % stake in the two hotels and the conference centre, with the Group holding the remaining 53 %. The Group retains control.

Under the agreement with Naviair for the provision of air traffic services, the Group has undertaken to be liable for any terminal navigation charges (TNC) that Naviair users may fail to pay. This liability takes effect when the claim has been ascertained and documented as irrecoverable, and when other specifically agreed terms and conditions have been met.

Debt to financial institutions is secured by mortgages on the Group's properties as described in note 3.3.

The Group has a secondary liability for the tax liabilities of the Danish holding companies, which hold 59.3 % of the shares in the Company. See note 2.3 for additional information.

Notes to the financial statements

Note **DKK million**

5.5 **Related parties**

The Group's related parties are the Danish Labour Market Supplementary Pension (ATP) and the Ontario Teachers' Pension Plan (OTPP), cf. their controlling ownership interests in the Group and an associate (see note 3.4). See also note 2.3 regarding remuneration to the Board of Directors and Executive Management.

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 the Ontario Teachers' Pension Plan Board (OTPP) via OTTP underlying holding company and ATP directly.

KAP is thereby the ultimate holding company of CPH. The consolidated annual report of KAP, in which CPH is included as a subsidiary, may be obtained from KAP through Private Equity Administrators ApS Frederiksborgvej 171 3450 Allerød

CAD holds 59.3 % of both the shares and voting rights in the CPH.

ATP and OTPP (through an underlying holding company) have signed a shareholders' agreement providing for agreement between the two parties on all material resolutions. The agreement also stipulates rules for the nomination of members to the Board of Directors of CPH.

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

5.6 **Concession for airport operation and charges regulation**

Pursuant to section 55 of the Danish Air Navigation Act, special permission from the Minister of Transport and Housing is required for aerodrome operations. The permissions for the aerodromes in Kastrup and Roskilde, which are issued by the Danish Transport, Construction and Housing Authority (DTCA), are valid until 1 March 2025, at which time they must be renewed.

Also, Commission Regulation (EU) No 139/2014 establishes requirements and administrative procedures related to aerodromes and aerodrome operators. On 22 December 2016, the Group received new certificates from the DTCA according to EU regulations. These certificates have been issued to the Group as aerodrome operator and replaces the former technical approvals. The certificates are valid indefinitely.

The Minister for Transport, Building and Housing may lay down regulations concerning the charges that may be levied on the use of aerodrome ("charges regulation").

The charges regulation for the Group is set out by the DTCA in BL 9-15, 4th edition of 16 November 2017: "Regulation on payment for use of airports (airport charges)". According to BL 9-15, the airlines and the airport are first requested to seek consensus on future airport charges in the coming regulatory period. If this is not possible, the DTCA will set annual revenue caps, which comprise the maximum total amount the airport can apply for each of the years as a basis for setting the charges for the use of the aeronautical facilities and services (fall-back). If the charges are negotiated by the parties, the parties must also agree on the length of the coming regulatory period. The regulatory period is two years in case the charges are not agreed between the parties. The parties can agree amongst themselves on the charges for a period of up to six years.

BL 9-15 includes various rules on determining charges by negotiation and in the event of a fall-back situation. In a fall-back situation, the revenue caps will be determined to cover operating costs, depreciation and cost of capital for efficient operation of the airport. Based on the revenue caps, the Group is then required to prepare a proposal for charges during the regulatory period, for approval by the DTCA. BL 9-15 includes various rules on how to calculate these revenue caps.

In 2018, the Group and the airlines entered into a charges agreement that was approved by DTCA in January 2019 and which sets out the charges applicable for the period 1 April 2019 – 31 December 2023. According to the charges agreement, the price for using the airport is fixed for each of the years in the regulatory period. Charges will only be subject to adjustments if either the investment level changes significantly (+/-DKK 250 mill. over three year period) or the passenger developments deviates from the forecast submitted by the DTCA during the charges negotiations (+/-1-2.5%).

For additional information, see the Copenhagen Airports Act, the Danish Air Navigation Act, the Copenhagen Airport Expansion Act, the Articles of Association of Copenhagen Airports A/S and EU regulations, including regulations concerning design, operation, facilities etc.

Notes to the financial statements

Note	DKK million		
5.7	**Fees to auditors appointed at the Annual General Meeting**	**2019**	**2018**
	Audit fee to PwC	1,6	1,7
	Fees for assurance engagements other than audit	0,6	0,5
	Tax advice	0,2	0,1
	Non-audit services	0,6	0,7
	Total audit fee	**2,9**	**3,0**

Fees for services other than statutory audit of the consolidated financial statements and the financial statements of the Parent Company provided to CPH by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab amount to DKK 1.2 mill. (2018: DKK 1.2 mill.) and mainly relate to review of non-financial statements, accounting advice and tax assistance.

5.8 **Post Balance sheet events**

Due to travel restrictions imposed by governments around the world in light of the Covid-19 pandemic, management considers the implications of COVID-19 a subsequent event occurred after the balance sheet date (31 December 2019), and therefore will not have any effect on the Financial Statements for 2019 (a non-adjusting event).
The changed operation will have a negative impact on the Company's revenue as well as net profit for 2020 compared to the revenue and net profit realised in 2019. At this time, it is not possible to provide a reliable estimate of the impact. Management assesses that the financial resources available are adequate.

5.9 **Uncertainty regarding tax cases**

The Danish Tax Authority (SKAT) has made various tax claims against the Group regarding the collection of withholding tax. The Group has disputed all the claims made against it. In February 2019 the European Court of Justice (ECJ) ruled in a few test cases in favor of the Danish tax authorities' position. These covered similar issues to those of the Group relating to withholding tax for interest and dividends. The ruling will now be considered by the Danish Courts.
Consequently, the Group has made a provision and write down of receivables in the 2018 accounts for the dividend withholding tax amount. The net provision for these interest and withholding tax cases has increased by DKK100m in the 2019 accounts. Depending on the outcome of the ruling by the Danish courts on the withholding tax cases, and ongoing work being undertaken on the actual flow of final dividends to the ultimate beneficiaries, uncertainty remains on the final amount including late payment interest, if any, for which the Group may be liable. The Group continues to work closely with its advisors to progress the appeals process.

5.10 **Guarantees and pledges**

The Group has pledged its shares in Copenhagen Airports A/S and its bank deposit as security for its bank loan.

Kastrup Airports Parent ApS

c/o Private Equity Administrators ApS
Frederiksborgvej 171
3450 Allerød

CVR no. 33781903

Annual Report 2019

9. Finacial year

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 25 June 2020

Torben Christensen

Contents

Management's Review

Management´s review for Kastrup Airports Parent ApS is included in management´s review for the group in the consolidated annual report

Key Figures and Financial Ratios

There are no specific key figures for the parent. Refer to the key figures in the consolidated annual report

Accounting Policies

Basis of Preparation

Reporting class
The Annual Report of Kastrup Airports Parent ApS for 2019 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C. Refer to the basis of preparation for the group in the consolidated report.

Reporting Currency
The Annual Report is presented in Danish kroner.

Income Statement

Investments in group companies
The proportionate share of dividends declared by subsidiaries is recognised in the income statement of the parent company.

Balance Sheet

Investments in group companies
Investments in group enterprises are measured at cost. If the cost price exceeds the recoverable amount the amount is written down to the lower value.

Equity
Proposed dividend for the year is recognised as a separate item in equity.

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
A separate cash flow statement for the parent has not been prepared pursuant to the Financial Statements Act § 86. Refer to the cash flow statement for the group in the consolidated annual report.

Income Statement

	Note	2019 Kr.	2018 Kr
Other external expenses		-620.842	-984.231
Profit from ordinary operating activities		**-620.842**	**-984.231**
Income from investments in group enterprises and associates	2	0	599.914.105
Other finance income from group enterprises		1.037.427	1.421.191
Other finance income		0	2.741
Finance expenses arising from group enterprises		-568.781.504	-545.528.120
Other finance expenses		-2.399.498	-1.931.529
Profit from ordinary activities before tax		**-570.764.417**	**52.894.157**
Tax expense on ordinary activities	3	109.072	21.034.745
Profit	4	**-570.655.345**	**73.928.902**

Balance Sheet as of 31 December

	Note	2019 Kr.	2018 Kr
Assets			
Long-term investments in group enterprises	5	6.884.131.703	6.884.131.703
Investments		**6.884.131.703**	**6.884.131.703**
Fixed assets		**6.884.131.703**	**6.884.131.703**
Short-term receivables from group enterprises		699.806.659	703.153.978
Receivables		**699.806.659**	**703.153.978**
Cash and cash equivalents		**198.338.797**	**193.053.117**
Current assets		**898.145.455**	**899.207.295**
Assets		**7.782.277.158**	**7.783.338.798**

Balance Sheet as of 31 December

	Note	2019 Kr.	2018 Kr.
Liabilities and equity			
Contributed capital		333.246	333.246
Retained earnings		-272.574.874	298.080.471
Equity		**-272.241.628**	**298.413.717**
Payables to group enterprises		7.229.204.778	6.660.423.275
Non-current liabilities other than provisions	6	**7.229.204.778**	**6.660.423.275**
Trade payables		146.877	454.726
Payables to group enterprises		726.407.359	621.797.986
Tax payables		98.759.772	202.249.094
Current liabilities other than provisions		**825.314.008**	**824.501.806**
Liabilities other than provisions within the business		**8.054.518.786**	**7.484.925.081**
Liabilities and equity		**7.782.277.158**	**7.783.338.798**
Subsequent events	1		
Contingent liabilities	7		
Collaterals and assets pledges as security	8		

Statement of Changes in Equity

	Contributed Capital	Retained Earnings	Total
Equity 1 January 2019	333.246	298.080.471	**298.413.717**
Profit (loss)	0	-570.655.345	-570.655.345
Equity 31 December 2019	**333.246**	**-272.574.874**	**-272.241.628**

Movement in share capital:

	2019	2018	2017	2016	2015
Balance at the beginning of the year	333.246	323.836	323.836	163.418	163.418
Additions during the year	0	9.410	0	160.418	0
Balance at the end of the year	**333.246**	**333.246**	**323.836**	**323.836**	**163.418**

Share classes:

	Number of shares	Nominal value of shares
A-shares	3.000	3.000
B-shares	77.000	154.000
C-shares	88.123	176.246
Total	**168.123**	**333.246**

The Company have not received dividends during the year and as a consequence lost the equity. Due to COVID-19 Management does not expect dividends to be received in the coming years. As a consequence, Management intends to restore equity through conversion of debt at latest in 2021 so that positive equity is obtained.

Notes

1. Subsequent Events

Due to travel restrictions imposed by governments around the world in light of the Covid-19 pandemic, management considers the implications of COVID-19 a subsequent event occurred after the balance sheet date (31 December 2019), and therefore will not have any effect on the Financial Statements for 2019 (a non-adjusting event).

The changed operation could have a negative impact on the Company's revenue as well as net profit for 2020. At this time, it is not possible to provide a reliable estimate of the impact. Management assesses that the financial resources available are adequate.

2. Income from investments in group enterprises

	2019	2018
Income from investments in group enterprises	0	599.914.105
	0	**599.914.105**

3. Tax Expense

Tax expense for the year	109.072	-21.034.745
	109.072	**-21.034.745**

4. Proposed distribution of results

Distributions	0	0
Retained earnings	-570.655.345	73.928.902
Profit for the year	-570.655.345	73.928.902

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

Group enterprises

Name	Registered office	Share Held in %	Equity	Profit
Copenhagen Airports Denmark Holding ApS	Copenhagen	100	4.481.278.457	186.640.144
			4.481.278.457	**186.640.144**

6. Non-current liabilities other than provisions

	Due within 1 year	Due After 1 year	due After 5 years
Payables to group enterprises	0	7.229.204.778	0
	0	**7.229.204.778**	**0**

CAD, CADH and KAP have received a letter of financial support from its respective parent companies, confirming that current loans and possible future loans to their parent companies will not be called unless liquidity of the company is adequate in order to repay its obligations. These letters of support are effective until at least 12 months after the date of signing of this Annual Report.

7. 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 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

No securities or mortgages exist at the balance sheet date.