Kastrup Airports Parent ApS

c/o Private Equity Administrators ApS
Frederiksborgvej 171
3450 Allerød

CVR. nr. 33781903

Annual Report for 2021

The Annual Report was presented and approved
at the Company's Annual General Meeting
on 28th June 2022

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Torben Christensen
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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 2021.

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 25.

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 2021 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 2021.

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, 28th June 2022

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Charles Thomazi

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Henrik Urbak-Mård

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David Mark Stanton

Independent Auditor's Report

To the Shareholders of Kastrup Airports Parent ApS

Opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 31 December 2021 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2021 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 2021 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Kastrup Airports Parent ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1.3 in the Financial Statements, which indicates that the Group's subsidiaries most likely risk being in breach of debt covenants when testing in December 2022. This event, along with other matters as set forth in note 1.3, indicate that a material uncertainty exists that may cast significant doubt upon the Group's ability to continue as a going concern. However, it is Management's assessment that such commitments will be obtained which is why the Financial Statements have been prepared on the basis of going concern. Our opinion is not modified in respect of this matter.

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

Independent Auditor's Report

requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements
Management is responsible for the preparation of 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, 28th June 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Søren Ørjan Jensen

State Authorised Public Accountant

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Independent Auditor's Report

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Copenhagen, 28th June 2022

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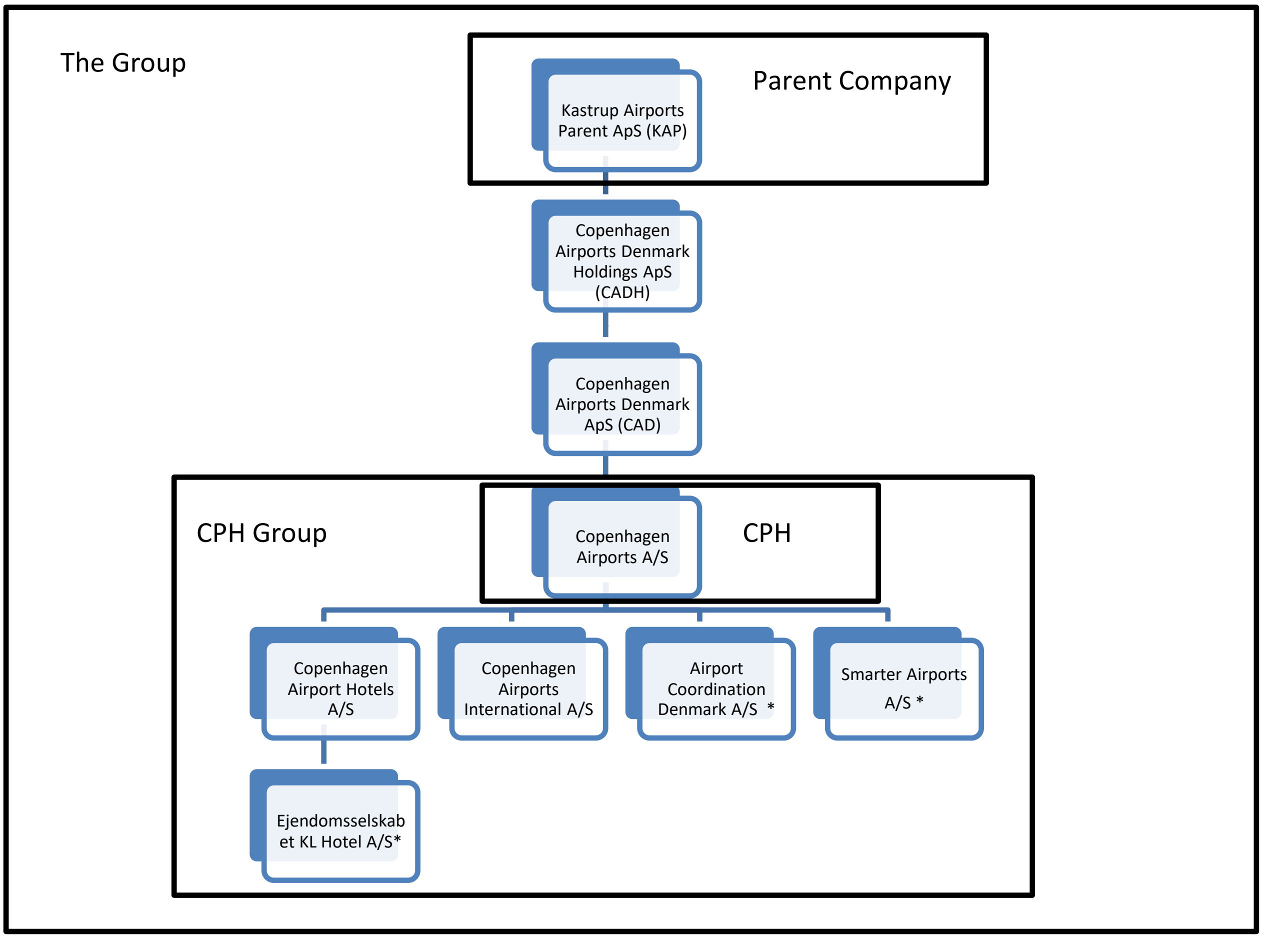
Company information

Executive Board	Charles Thomazi Henrik Urbak-Mård 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	01-01-2021 - 31-12-2021
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 2021.

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.



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.

Business framework
The Parent Company's primary role is to hold shares in other companies especially CPH and its subsidiaries. CPH is regulated in accordance with Danish and EU law. CPH has two business areas: aeronautical and non-aeronautical. Where the aeronautical business is concerned, the airlines pay to use the aeronautical facilities and services based on a commercially negotiated multi-year charges agreement. The negotiated charges are subject to approval by the Danish Civil Aviation and Railway Authority. The non-aeronautical business area comprises the other facilities and services provided at the airport, including car-parking, shops, restaurants, lounges and hotels.

Group financial highlights and key ratios

DKK million	2021	2020	2019	2018	2017
Income statement					
Revenue	1.760,9	1.575,7	4.345,7	4.445,0	4.439,0
EBITDA	499,6	190,7	2.363,5	2.502,0	2.602,0
EBIT	-512,4	-725,2	1.425,4	1.574,0	1.814,0
Net financing costs	1.001,9	488,5	1.035,6	2.218,0	920,0
Profit/(Loss) before tax	-1.518,4	-1.214,1	389,7	-644,0	894,0
Net profit/(loss)	-1.318,2	-1.002,0	148,0	-949,0	563,0
Statement of comprehensive income					
Other comprehensive income	41,5	94,2	91,1	52,0	47,0
Comprehensive income	-1.276,8	-907,9	239,1	-897,0	610,0
Balance sheet					
Property, plant and equipment	14.212,7	13.555,9	12.994,8	11.726,0	10.584,0
Financial investments	430,9	240,0	117,0	86,0	1.096,0
Total assets	16.286,3	15.632,9	15.241,4	13.462,0	13.124,0
Equity	-7.580,6	-10.362,4	-9.454,3	-9.321,0	-7.572,0
Cash flow statement					
Cash flow from operating activities	-421,4	418,3	1.544,3	1.760,0	720,0
Cash flow from investing activities	-632,8	-1.549,1	-2.139,5	-1.759,0	-1.473,0
Cash flow from financing activities	798,8	1.388,6	770,3	194,0	65,0
Cash at end of period	830,7	1.086,1	828,3	653,0	458,0
Key ratios					
EBITDA margin	28,4%	12,1%	54,4%	56,3%	58,6%
EBIT margin	-29,1%	-46,0%	32,8%	35,4%	40,9%

Ratios are defined and calculated in accordance with the Danish Finance Society's online version of "Recommendations & Financial ratios".

Management's Review

Financial review

Income statement

EBIT rose to DKK (512) million from DKK (725) million (2020). Number of passengers was still impacted by COVID-19 but increased from 7.5 million in 2020 to 9.2 million in 2021.

Balance sheet

Total equity and liabilities are DKK 16,286 million as at 31 December 2021 (2020: DKK 15,633 million). The increase was driven by the impact of COVID-19 on the Group's profitability.

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

The expected development of the Group

Whilst 2022 has started better than 2021 in terms of passenger levels, the global aviation industry continues to face uncertainty from the ongoing COVID-19 pandemic as evidenced by the consequences of the Omicron variant. This creates challenges in providing detailed guidance on the financial performance of the Group for the coming year.

European air traffic is anticipated to improve in 2022 versus 2021. However, long-haul international routes continue to be severely affected by restrictions and passenger hesitation despite countries slowly reopening to travel. In spite of current restrictions, an improvement in year-on-year results is expected for CPH, as passengers are the prime conduit for revenue.

The Group expects that the pandemic will continue to affect the number of flights and passengers, both leisure and business, throughout 2022, and that volatility and continued waves of infection may result in renewed disruption of travel patterns. Additionally, the crisis in Ukraine combined with increasing fuel and energy prices has increased uncertainty.

Due to this continued uncertainty, CPH will monitor the situation closely and continue to assess and adjust the level of operating costs and investments on an ongoing basis.

CPH will advise the financial market as and when a meaningful financial outlook can be provided.

The Group has suspended dividends for 2020 and 2021 in compliance with the guidelines for companies receiving compensation from the Danish government's support packages as a consequence of COVID-19.

Financing and liquidity

Due to the COVID-19 pandemic and the associated travel restrictions, the Group is unlikely to meet its covenants in December 2022. The lenders have agreed to waivers, thereby securing financing and liquidity up to and including Q3 2022.

In addition, CAD, CADH and KAP have received a letter of financial support from their 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.

Management's Review

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 4.3 of the CPH Group financial statements.

The Danish Tax Authority (DTA) has made various tax claims against CADH regarding the collection of withholding tax. CADH has disputed all the claims made against it. The Eastern High Court is expected to give judgement in these cases in the beginning of 2023. CADH has in previous years made provisions and write downs in respect of interest and dividend withholding tax amounts, including for late payment interest calculated in accordance with the principles applied by the DTA. The alleged claim for interest withholding tax was paid in full to the DTA in 2017.

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 CADH may be liable. CADH continues to work closely with its advisors to progress the court process.

In 2020, the DTA announced it had incorrectly applied the rules concerning the application of penalty interest in withholding tax cases. This caused a repayment to CADH in relation to the interest withholding tax claim and a reduction in relation to the provision for the claim for dividend withholding tax. During 2021, CADH has obtained further clarity on the principles applied by the DTA in respect to the calculation of late payment interest and adjusted the provisions for this. Following this adjustment, the net provision for the tax claims has decreased in the 2021 accounts.

The annual result compared with the expected development in the recent published annual report
Due to the COVID-19 pandemic there was significant uncertainty as to how and when travel restrictions would be lifted, and it was therefore not possible to give an outlook for passenger numbers, revenue, pre-tax result and total investments in the 2021 annual report.

Management's Review

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.

Non-Financial Performance Indicators – Basis of Preparation
The non-financial statements are prepared in accordance with the statutory statements on corporate responsibility, the under-represented gender and board diversity.

All CPH reporting sites and companies apply identical measurement and calculation methods. Data and disclosures are recorded continuously based on reporting from the individual areas and functions at the airports and are essentially based on externally documented records, internal records, calculations and, to a lesser extent, estimates.

Information about employees, such as age and gender, is generally based on CPH's HR system records, in which an employee's data are recorded from the date the employment contract comes into force until the employee is no longer on the payroll. Number of employees is divided into men and women and calculated as a percentage. The same procedure is used for management.

The number of occupational injuries on CPH building sites subject to a requirement for client coordination of the working environment measures is determined as the number of occupational injuries during the year leading to one or more days of absence in addition to the day on which the incident occurred. Client coordination refers to the requirements stated in Danish Executive Order no. 117 of 5 February 2013 on client obligations. The occupational injury frequency is stated as the number of occupational injuries with absence per million working hours. The number of working hours is reported by the contractors who carry out work on the client-coordinated construction sites.

Absence due to illness is determined on the basis of CPH's HR system records.

The amount of waste is calculated based on annual statements from the waste recipients used: Amager Ressourcecenter, AV Miljø, Avista Oil, Biotrans-Nordic, Daka ReFood, Dansk Sikkerhedsmakulering, Marius Pedersen, RGS NORDIC, Ragn-Sells, SMOKA I/S and STENA Recycling.

Social performance

Equal conditions and opportunities for all
The Group's overarching goal is to increase diversity and inclusion at all organisational levels, including Board level. That means achieving a 70/30 split on gender and ethnicity and becoming more age diverse across the organisation by 2025 while fostering a zero-discrimination culture.

The Group aims to continue to respect and promote awareness to all six of the diversity dimensions defined by the Institute for Human Rights: gender, age, ethnicity, religion, sexual orientation and disability.

CPH updated its diversity and inclusion policy and KPIs in 2020, primarily focusing on age, gender and ethnicity. In light of COVID-19, the Group was unfortunately not able to translate the updated policy for diversity and inclusion into an action plan containing specific initiatives and supporting analyses as planned in 2021. The Group's ambition is to resume this work in 2022 and define more precisely which focus areas require more work to achieve the diversity targets and KPIs.

Looking at the diversity across CPH's management and workforce, the share of women in 2021 was 33% which achieved the target of 30%. The share of female managers in 2021 was 26% – an improvement from 2020, but still short of the target of minimum 30% representation.

To achieve a more gender-diverse management team and workforce, CPH's diversity strategy sets a target of achieving a minimum representation of 30% of both genders across all organisational levels by 2025.
CAD, CADH and KAP have no employees other than the Management Board. Hence, no targets have been set for those companies with regards to other organisational levels.

The Board of Directors in CPH and Management in CAD, CADH and KAP
In 2021 the proportion of women among the shareholder-elected members of the Board of Directors/Management was 17% at CPH and 0% at CAD, CADH and KAP.

CPH is maintaining its ambition to achieve a percentage split of 33/67 (i.e. two women) on the Board by 2023, however no additional women were elected at the latest AGM. With regard to nationality, the distribution in 2021 was also unchanged among shareholder-elected members, 50% Danish and 50% other nationalities, well above the target of 33/67.

CAD, CADH and KAP have set a target figure for the proportion on women on the Management Board of 30%. No changes have occurred during the year and therefore the target figure has not been met. Management aims to achieve its target before the end of 2024.

Management's Review

Training and Upskilling
The Group's ambitions remains to ensure to work with our many partners at the airport to develop both the organisation and the employees' skills for future jobs and technology, in particular digitalisation.

The Group understands that building employees' competences is critical for its success. In 2021 CPH's Training Academy worked in close collaboration with the Danish Agency for Labour Market and Recruitment, Tårnby Municipality (Job and Advice Centre CPH) and three adult education establishments – the Workers' Educational Association, Zealand Business College and Technical Education Copenhagen – to develop a catalogue of courses targeting the needs for skills development identified by CPH's management and the unions.

In 2021, CPH also initiated a collaboration across the companies at the airport with the aim of sharing knowledge and experiences on education and relevant training. This initiative and the collaboration with the local educational establishments is continuing as a key element of CPH's Training Academy.

Remote work is here to stay
The coronavirus pandemic has made great demands of both employees and managers in terms of flexible crisis management. The beginning of 2021 saw continuing low levels of air traffic and largely empty terminals. Many of CPH's office staff worked exclusively from home in the first months of the year. Many found that working from home was well suited to certain types of work, and CPH therefore decided that it should remain an option as staff returned to the office to work from home two days a week, by agreement with their manager. CPH will regularly evaluate experiences with remote working options and adjust the guidelines if necessary.

CPH starts recruiting again – and recognises the outstanding efforts of employees
In the second half of 2021, activity at the terminals began to pick up. As passenger numbers increased, CPH started recruiting again to ensure good service and a smooth passenger journey. In 2021, CPH had 1,852 full-time employees.

During a period of unprecedented challenges in 2021, everyone at CPH – both managers and employees – has put in an outstanding effort and worked together to steer CPH through the crisis. In recognition of this effort, CPH's Executive Management and Board of Directors have decided extraordinarily to award a bonus of DKK 10,000 to all employees in April 2022.

Local Community
The impact of the COVID-19 crisis on aviation and the knock-on effects for the tourism and service sectors have been felt most intensely in the communities around the airport. The beginnings of an increase in air traffic and the resulting need for the companies at Copenhagen Airport to recruit are therefore of major local importance.

In October 2021, a topping-out ceremony was held for DHL's new freight terminal. The expansion of DHL's freight terminal is expected to create hundreds of new jobs at the airport when completed in 2023.

In addition, the CPH Facebook group "Dear Neighbour" gained 900+ new members in 2021 and has now reached 2,200 members. There was a healthy and welcome appetite for discussion and many comments, especially on posts relating to changes in the airport's runway usage and operations.

Safely back in the office – with a focus on wellbeing
CPH is reliant on a large number of employees with a high level of specialist knowledge and skills to keep the company operational. In 2021, it was therefore crucial to prevent infection and chains of infection in CPH's employees. By means of a strong shared focus and effort, CPH succeeded in maintaining operations throughout another year of the COVID-19 pandemic.

Management's Review

As the vaccination process was rolled out, the COVID-19 guidelines allowed more employees to return to the airport. CPH welcomed all managers by a "welcome back" e-mail with focus on wellbeing of all employees. CPH is focused on getting everyone to talk through their experiences of the COVID-19 period and remote working.

Absence due to illness

The rate of absence due to illness in 2021 was 5.5, which was only slightly above the 2019 level – i.e. before the COVID-19 pandemic.

Keeping airport employees healthy and safe at work is a high priority, therefore CPH maintains a sharp focus on the causes of absence. In 2021, in addition to COVID-19 infection, flu, colds and similar illnesses, a number of employees were affected by stress due to the challenges of the COVID-19 pandemic for CPH, the aviation sector and daily lives. All managers have attended or will attend a course focusing on the psychosocial working environment in 2022.

In 2021, lack of resources prevented CPH from conducting a full employee engagement survey for all employees, however in Q1 and Q4, CPH conducted "temperature checks" in all departments to ensure a shared focus on wellbeing during this difficult period. In 2022, CPH will launch an employee engagement survey / psychosocial workplace assessment.

Occupational injuries

Another key indicator for the working environment is the number of occupational injuries. The Group through CPH works actively to reduce the number of occupational injuries.
The vast majority of CPH's building activities were on hold throughout 2021. In those activities that did take place, CPH maintained its usual focus on ensuring a safe building site and carried out regular supervision. On CPH building sites, there were 9.5 occupational injuries per million working hours in 2021.

At CPH, there were also few occupational injuries in 2021: a total of 7.4 per million working hours. This is higher than in 2020, largely due to the ramping-up of activities at CPH as traffic grew and more colleagues resumed daily work at CPH.

Business Ethics and Human Rights

Anti-corruption

Being a responsible workplace also means having clear rules in place for ethical conduct for employees and the company as a whole. The Group has a zero-tolerance approach to all forms of corruption, including bribery and extortion.
Internal control systems are used to monitor areas such as exposure to potential bribery, breach of ethical policies and other risks. The overall risk exposure is assessed to ensure that any weaknesses are identified and dealt with as early as possible. To enhance the effectiveness of risk management, compliance and internal controls, CPH is organised according to the Three Lines of Defence model.
The relevant procedures were upheld in 2021, and ongoing controls have not given rise to any observations or changes. We will continue our efforts in 2022.

Pursuant to new EU regulations in 2021 the Group updated its whistle blower scheme, which since 2013 has allowed employees and external partners to report concerns or information about illegal activity or other serious matters. The CPH employee code of conduct was updated as a result, which ensures that all interactions within CPH and with external stakeholders are based on sound ethical principles.

Management's Review

Respect for human rights and data protection
The Group supports and respects the protection of international human rights and does not take part in any form of activity that violates these rights. The Group does not tolerate discrimination of any kind. All passengers at CPH have the right to feel safe, secure and fairly treated.
The Group continues to monitor and evaluate material human and labour rights risks, and we will continue to mitigate any potential violations of these rights. CPH is especially concerned with ensuring that the airport is accessible to all, regardless of nationality, gender or disability. We have therefore introduced mandatory training of all employees to raise awareness about how to interact with people with hidden or visible disabilities. This training covers understanding of and respect for passengers' different backgrounds and values.

The Group's approach to ethical business operation follows i.e. the principles of the UN Global Compact. CPH's Supplier Code of Conduct sets the standards expected from suppliers regarding, among other things, human and labour rights.

In 2021, CPH also introduced a data ethics policy which extends beyond legal compliance and sets a framework for ensuring that the development of digital and data-based services, procedures, etc. takes into consideration issues such as accountability, transparency and equal treatment. The data ethics policy is published on CPH.dk.

The Group reported 9 issues to the Danish Data Protection Agency in 2021 in accordance with GDPR and internal data protection processes. The Group is not aware of any complaints made to the Danish Data Protection Agency in 2021 regarding the handling of personal data.

The Group will continue in 2022 our human rights focus with a reassessment of our human rights due diligence efforts.

Environmental performance

Sustainable aviation and Climate
The Group takes its environmental responsibility seriously and adopts a long-term, systematic approach to minimising its environmental impact and ensuring environmental responsibility in both operation and development of the airport. Even after more than a year of unprecedented economic crisis, the Group remains unwavering in the commitment to the Group's climate ambitions: The Group is maintaining the goal of emission-free airport operations by 2030 and the commitment to develop know-how and solutions that can drive the aviation sector towards zero emissions by 2050.

In 2021, CPH also had to make tough decisions regarding its climate strategy. In 2022, the roadmap for achieving the 2030 goal of emission-free airport operations will be updated in light of the impact of the COVID-19 crisis on investments. This will involve amending a number of the milestones for 2023.

In 2021, CPH maintained its Airport Carbon Accreditation (ACA) as a carbon-neutral airport (level 3+). As part of this accreditation, the airport must compensate for residual CO2 emissions in scope 1 and scope 2, and for emissions from CPH staff's business travel.

The biggest source of CO2 emissions at CPH is from aircraft taking off and landing. In 2020, these emissions accounted for 64% of the total, down from 75% in 2019. In 2021, emissions from aircraft rose again, accounting for 66% of total CO2 emissions.

Management's Review

In 2021, the Green Fuels for Denmark project, which in addition to CPH includes big companies such as Orsted, A.P. Moller-Maersk, DSV, DFDS and Haldor Topsoe, received government backing to be put forward to the EU Commission as a Danish IPCEI (Important Project of Common European Interest). The government allocated DKK 850 million to support the two selected Danish IPCEIs. At the beginning of 2022, the EU Commission is expected to rule on whether Green Fuels for Denmark can receive co-financing in accordance with applicable state aid rules. The project will deliver production of sustainable hydrogen based on renewable energy. The hydrogen will be used directly in heavy road transport and as an input for the production of sustainable fuel for the shipping and aviation sectors. The ambition is that by 2030 Green Fuels for Denmark's production could make up around 25% of the expected aviation fuel intake at CPH.

In addition, in 2021, the Group's focus on energy savings culminated in an ISO 50001 certification in energy management. Since 2010, CPH's energy management efforts have generated energy savings equivalent to the annual energy consumption of 12,500 households.

The development of the airport must also go hand in hand with further reductions in noise around the airport and lower impact on local air quality.

Since 1994, noise exposure has been reduced by more than 80%. This is calculated in terms of both noise level (dB) and number of housing units exposed to levels above the Danish Environmental Protection Agency's guideline limit value for aircraft noise of 55 dB. The number of housing units around the airport exposed to noise above the guideline limit value fell from 18,213 in 1994 to 2,126 in 2018, representing an 88% decrease. Noise levels in 2021 measured as TDENL (Total Day-Evening-Night Level) was 0.6 dB lower than for 2020, when traffic was normal up to 11 March.

CPH works to improve air quality in the interests of neighbours and the working environment for employees at the airport. The air quality around CPH is affected by various factors such as road transport, activities at the airport and wood burners, and other regional sources. CPH was the first airport in the world to begin systematically measuring the levels of ultrafine particles (UFPs), even though no official requirements or limit values for quantities permitted in the air exist. CPH has set clear goals for how CO2 emissions from the airport and from aircraft are to be eliminated. The ambition is for 90% of the vehicles at the airport to be low-emission by as early as 2023, and for all vehicles to be emission-free, e.g. electric, by 2030.

Waste

CPH has taken continuous steps to ensure that the waste produced at the airport can be sorted and passed on to partners who can undertake recycling of the raw materials and resources for new purposes. In 2021, CPH improved the recycling rate and a total of 27% of all waste was recycled. However, it is now clear that it will not be possible to achieve the previously set goal of a recycling rate of 60% by 2023. This is partly due to new EU requirements for calculating the recycling rate. In 2022, new goals will be set in this area as part of a broader circular economy strategy.

One of the main waste fractions is food waste from the food outlets in the terminals, staff canteens and other kitchens at the airport. In 2021, CPH has entered into an agreement with Daka ReFood which will be responsible for collecting and recycling food waste collected at the airport. The food waste will be recycled as fertiliser and biogas for farming. In 2021, 133 tonnes of food waste were collected, however this figure is likely to increase as passengers return to CPH.

Management's Review

CPH also focusses on reducing its landfill waste. CPH's major source of landfill waste is "sweepings", which are sand and other materials swept up from the runways to prevent them from being sucked into aircraft engines and jeopardising safety. The sweepings generally contain sand, stones, leaves, soil, plastic, oil and rubber, and typically also small amounts of environmentally harmful substances, such as heavy metals, which means they cannot be reused untreated in e.g. building projects. Sweepings account for around 12% of CPH's total waste, around 250 tonnes annually. CPH has entered into an agreement with Norrecco, which takes the sweepings, sorts them and removes any impurities, then tests for substances in line with environmental regulations. Once cleaned they are recycled as sand/gravel in building and infrastructure projects. In 2021, 61 tonnes of sweepings were sent for recycling.

The Groups Business Framework is introduced in page 8.

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 633 million in 2021 including company taxes, environmental and energy taxes, salary taxes etc., VAT and property taxes.

Group structure, ownership, tax strategy

Together with its subsidiaries, Copenhagen Airports A/S operates two airports and a hotel in Denmark, making it primarily liable to payroll tax. 59.3% of the shares are held by Copenhagen Airports Denmark ApS (CAD). CAD is indirectly controlled by Kastrup Airports Parent ApS (KAP), the highest-level Danish holding company, with which CPH is jointly taxed. As the administrative company in the joint taxation scheme, KAP is responsible for submitting tax returns and communicating with Danish tax authorities regarding corporate tax. For these purposes, CPH reports to KAP.

Management's Review

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.

Risk management method and approach at CPH

CPH's risk profile is determined in accordance with our role as the owner and operator of the airports at Kastrup and Roskilde. The national interest and expectations of safe, reliable and accessible travel remained our focus, especially in a year once again dominated by COVID-19.

Risk management method and approach at CPH

The corollary of CPH being designated as critical infrastructure, as well as the fact that we have to present ourselves as a solid and financially robust company, means we are exposed to various risks of strategic, operational, financial and compliance nature.

Risk management at CPH is aimed at preventing and preparing for incidents, reducing uncertainty, leveraging opportunities and facilitating the fulfilment of CPH's strategic goals.

Embedding current risk scenarios in our decision-making processes across the organisation ensures that decisions that are susceptible to one or more risks are made in accordance with the defined level of risk tolerance.

Internal controls

In order to ensure a strong internal control platform, CPH actively works to maintain its internal controls, anchoring them firmly in the organisation and engaging employees in their execution.

Financial risks

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 95-99.

Governance structure, organisation of risk management and internal risk control

Responsibility for and monitoring of risk management and internal controls lies with the Executive Management. The Board monitors risk management through the Audit and Risk Management Committee.

The Board also determines the overall risk tolerance, which forms the basis for ongoing evaluation and prioritisation of risks. The Group Risk Manager monitors and facilitates the practical execution of risk management.

The activities are closely coordinated to ensure that the internal control systems and risk management processes always function as intended. In order to increase the effectiveness of risk management and internal controls, 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.

Responsibility for individual risks is embedded throughout the organisation and handled by designated risk owners in the various business units.

Their responsibilities include identifying, evaluating, managing, controlling and reporting risks, as well as providing an informed decision-making basis consistent with CPH's risk tolerance. All risks are carefully discussed and balanced at individual meetings with risk owners and at management group meetings in the respective business units in advance of the semi-annual risk reporting to the Audit and Risk Management Committee.

Material risks

CPH is exposed to risks of a strategic, financial, operational and compliance nature.

Management's Review

	Description	Impact	Mitigation
Safety and security	It is fundamental for CPH to ensure a positive, safe journey for our passengers. This is why the safety of employees, business partners and passengers is at the heart of our risk management. In line with CPH's risk tolerance, safety has top priority and is a special focus of day-to-day activities.	Accidents or breaches of safety rules can have very serious consequences for an airport such as CPH. As an airport, we focus on delivering punctual and reliable operations within the current rules, while keeping employee and passenger safety needs in focus. During the COVID-19 crisis, safety remains paramount at CPH. To reassure passengers, dating back to June 2020 and still in force, we introduced joint European guidelines on wearing face masks, practising good hygiene, and keeping a safe distance in airports to mitigate the effects of the pandemic.	CPH goes to great lengths to monitor, prevent and respond to safety incidents. In this respect, we have developed targeted emergency response plans in close dialogue with our business partners. These plans enable us to react to any incidents at short notice. In addition, CPH is subject to a large number of regulatory safety and security requirements. The Danish Civil Aviation and Railway Authority monitors and checks compliance with these on an ongoing basis.
Environment and climate	CPH takes its environmental responsibility seriously and adopts a long-term, systematic approach to minimising its environmental impact and ensuring environmental responsibility in both operation and development of the airport. The challenges of climate change are attracting a lot of attention both nationally and internationally. In parallel with this, there is a growing need to take responsibility, identify opportunities and solve challenges.	Airport operations can impact the environment in many ways, for example in terms of noise, air quality, surface water, wastewater, groundwater, etc. Our approach to building, including how we handle and transport building materials, waste, resource consumption and recycling, plays a big role in our impact on the environment and climate.	CPH works with innovative methods and solutions to environmental challenges – often in partnerships, and always in compliance with the relevant environmental regulations. We work systematically to ensure that both operation and development of the airport are carried out responsibly with respect to the environment and climate. This approach is embedded in CPH's activities and decision-making processes. Moreover, identifying and reducing potential environmental risks is a statutory requirement of major projects. Read more about the environment on pages 39-41.
Breaches of IT security	Digitalisation is one of CPH's strategic focus areas. Among other things, this requires us to be innovative and exploit the digitalisation wave as a lever for growth. This is why there is a particular focus on ensuring that CPH's IT strategy supports the goal.	CPH is particularly dependent on well-functioning and reliable IT systems that support its ability to operate the airport efficiently and ensure passenger safety. Cybercrime is a very real threat, as hackers can cause disruptions that extend far beyond the actual incident.	At CPH we are highly focused on protecting our IT systems against hacking, cybercrime and viruses by mitigating daily cyberattacks. To this end, we have adopted an IT security strategy to reduce the risk of CPH's IT systems being compromised or damaged.
Revenue risks	The aviation crisis in the wake of COVID-19 remains serious. The crisis continues to significantly affect Copenhagen Airport, the airlines, the companies around the airport and the independent sectors, and revenue is still not back to the pre-crisis level.	Travel restrictions, especially in the first half of 2021, have placed constraints on thousands of people and on corporate mobility. The occurrence of new COVID-19 variants in Q4 only reconfirmed the uncertainty and negative impact on revenue. In the long term, the reduced traffic may impact on Denmark's ability to maintain its position as northern Europe's most important hub for global air traffic and freight. Although passengers returned in reasonable numbers in the second half of 2021, with a drop in Q4 due to Omicron, the future is uncertain, and we do not know when air traffic will return to 2019 levels.	Since the corona crisis hit and the number of passengers fell dramatically, CPH's business model has come under pressure. This is why steps have been taken to develop and protect the revenue sources, including by protecting CPH's business partners, while simultaneously seeking to minimise costs and spending.
COVID-19	COVID-19 once again in 2021 had a significant impact on CPH, n respect of both passengers and employees.	Health and safety were the watchwords for our work in 2021, when ever-changing travel restrictions and rules in Denmark and the rest of the world presented a challenge for both passengers and staff.	The key to meeting the challenge has been close, positive cooperation with authorities, airlines and companies at CPH and, not least, a significant ramping-up of communications to passengers on all platforms – from the terminals to the website and SoMe. Despite all the rule changes throughout the year, we helped 9.2 million passengers pass safely through the airport.

Consolidated Income statement, 1 January - 31 December

Note	DKK million	2021	2020
	Traffic revenue	865,5	695,4
	Concession revenue	465,9	507,8
	Rent	168,8	181,3
	Sale of services, etc.	260,7	191,2
2.1, 2.2	**Revenue**	**1.760,9**	**1.575,7**
2.3	Other income	265,8	357,6
2.4	External costs	430,1	361,5
2.5	Staff costs	1.097,0	1.381,1
3.1	Amortisation and depreciation	1.012,0	915,9
	Operating profit/(loss)	**(512,4)**	**(725,2)**
	Share of profit/(loss) after tax in joint venture	(4,1)	(0,4)
4.1	Financial income	24,4	480,0
4.1	Financial expenses	1.026,3	968,5
	Profit/(loss) before tax	**(1.518,4)**	**(1.214,1)**
2.6	Tax on profit/(loss) for the year	(200,2)	(212,2)
	Net profit/(loss) for the year	**(1.318,2)**	**(1.002,0)**
	Non-controlling interest of subsidiaries	210,5	259,7
	Net loss for the year attributable to shareholders	**(1.107,7)**	**(742,3)**

Statement of comprehensive income, 1 January - 31 December

Note	DKK million	2021	2020
	Net profit/(loss) for the year	**(1.318,2)**	**(1.002,0)**
	Items that are reclassified to the income statement		
	Currency translation of equity in foreign branch	(3,1)	(2,5)
	Value adjustments of hedging instruments	137,7	(62,1)
4.1	Value adjustments of hedging instruments transferred to financial income and expenses in the income statement	(80,6)	186,0
2.6	Tax on other comprehensive income	(12,5)	(27,2)
	Other comprehensive income for the year	**41,5**	**94,2**
	Total comprehensive income for the year	**(1.276,7)**	**(907,8)**
	Non-controlling interest of subsidiaries	211,7	244,0
	Total comprehensive income for the year	**(1.065,0)**	**(663,8)**

Balance sheet, Assets at 31 December

Note	DKK million	2021	2020
	NON-CURRENT ASSETS		
3.2	**Total intangible assets**	**222,0**	**309,4**
3.3	**Property, plant and equipment**		
	Land and buildings	6.284,5	5.603,2
	Investment properties	874,6	217,5
	Plant and machinery	4.971,7	4.671,3
	Other fixtures and fittings, tools and equipment	766,0	807,1
	Property, plant and equipment in progress	1.315,9	2.256,8
	Total property, plant and equipment	**14.212,7**	**13.555,9**
	Financial investments		
3.4	Investments in associates	125,9	75,0
4.3	Other financial assets	305,0	165,0
	Total financial investments	**430,9**	**240,0**
	Tax receivable	**0,0**	**204,7**
	Total non-current assets	**14.865,6**	**14.310,0**
	CURRENT ASSETS		
	Receivables		
5.1	Trade receivables	448,6	156,5
	Other receivables	35,2	37,3
	Prepayments	106,2	43,0
	Total receivables	**590,0**	**236,8**
	Cash	**830,7**	**1.086,1**
	Total current assets	**1.420,7**	**1.322,9**
	Total assets	**16.286,3**	**15.632,9**

Balance sheet, Equity and liabilities at 31 December

Note	DKK million	2021	2020
	EQUITY		
	Share capital	0,4	0,3
	Share Premium account	2.999,9	-
	Reserve for hedging	(54,4)	(95,2)
	Cost of hedging	(3,7)	(7,9)
	Retained earnings	(12.276,7)	(11.394,8)
	Non-controlling interests	1.753,9	1.135,2
	Total equity	**(7.580,6)**	**(10.362,4)**
	NON-CURRENT LIABILITIES		
2.6	Deferred tax	658,8	849,8
2.6	Income tax	212,7	432,6
4.2	Payables to related party	5.489,1	7.846,4
4.2	Financial institutions and other loans	15.580,2	15.299,2
5.2	Other payables	265,7	320,0
	Total non-current liabilities	**22.206,5**	**24.748,0**
	CURRENT LIABILITIES		
4.2	Financial institutions and other loans	819,0	147,5
	Prepayments from customers	170,3	234,1
	Trade payables	343,5	457,6
2.6	Income tax	0,5	-
4.3, 5.2	Other payables	283,6	404,7
	Deferred income	43,5	3,4
	Total current liabilities	**1.660,4**	**1.247,3**
	Total liabilities	**23.866,9**	**25.995,3**
	Total equity and liabilities	**16.286,3**	**15.632,9**

Statement of changes in equity, 1 January - 31 December

Note DKK million	2021							2020					
	Share capital	Share Premium account	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**	**-**	**(95,2)**	**(7,9)**	**(11.394,8)**	**1.135,2**	**(10.362,4)**	**0,3**	**(173,5)**	**(10,1)**	**(10.650,3)**	**1.379,3**	**(9.454,3)**
Equity addition during the year	-		-	-	-	-	-	-	-	-	-	-	-
Increase of capital	0,1	2.999,9	-	-	-	-	3.000,0	-	-	-	-	-	-
Comprehensive income for the year													
Net profit/(loss) for the year	-	-	-	-	(1.107,7)	(210,5)	(1.318,2)	-	-	-	(742,3)	(259,7)	(1.002,0)
Other comprehensive income													
Currency translation of equity in foreign branch	-	-	-	-	(2,7)	(1,3)	(4,0)	-	-	-	(2,2)	(1,0)	(3,2)
Value adjustments of hedging instruments	-	-	77,4	4,2	-	25,7	107,3	-	(8,3)	2,2	-	(42,4)	(48,5)
Value adjustments of hedging instruments transferred to financial income and expenses in the income statement	-	-	(36,6)	-	-	(25,6)	(62,2)	-	86,5		-	59,1	145,6
Total other comprehensive income	**-**	**-**	**40,8**	**4,2**	**(2,7)**	**(1,2)**	**41,1**	**-**	**78,2**	**2,2**	**(2,2)**	**15,7**	**93,9**
Total comprehensive income for the year	**-**	**-**	**40,8**	**4,2**	**(1.110,4)**	**(211,7)**	**(1.277,1)**	**-**	**78,2**	**2,2**	**(744,5)**	**(244,0)**	**(908,1)**
Transactions with owners													
Transactions with owners	-	-	-	-	228,5	830,4	1.058,9	-	-	-	-	-	-
Total transactions with owners	**-**	**-**	**-**	**-**	**228,5**	**830,4**	**1.058,9**	**-**	**-**	**-**	**-**	**-**	**-**
Equity at 31 December	**0,4**	**2.999,9**	**(54,4)**	**(3,7)**	**(12.276,7)**	**1.753,9**	**(7.580,6)**	**0,3**	**(95,3)**	**(7,9)**	**(11.394,8)**	**1.135,3**	**(10.362,4)**

Cash flow statement, 1 January - 31 December

Note	DKK million	2021	2020
	CASH FLOW FROM OPERATING ACTIVITIES		
5.3	Received from customers	1.399,6	1.773,1
5.3	Paid to staff, suppliers, etc.	(1.351,4)	(1.263,8)
	Cash flow from operating activities before financial items and tax	48,2	509,3
5.3	Interest received, etc.	5,0	6,1
5.3	Interest paid, etc.	(429,1)	(407,6)
	Cash flow from operating activities before tax	(375,9)	107,8
2.6	Taxes	(45,5)	310,6
	Cash flow from operating activities	**(421,4)**	**418,3**
	CASH FLOW FROM INVESTING ACTIVITIES		
3.3	Payments for property, plant and equipment	(571,0)	(1.441,8)
3.2	Payments for intangible assets	(9,6)	(75,4)
	Sales of property, plant and equipment	2,8	42,7
	Payments related to investments in associates	(55,0)	(74,6)
	Cash flow from investing activities	**(632,8)**	**(1.549,1)**
	CASH FLOW FROM FINANCING ACTIVITIES		
4.2	Repayments of long-term loans	(3.746,2)	(2.147,2)
4.2	Proceeds from long-term loans	4.529,0	5.550,0
4.2	Repayments of short-term loans	(160,4)	(2.387,8)
4.2	Proceeds from short-term loans	176,4	373,6
	Cash flow from financing activities	**798,8**	**1.388,6**
	Net cash flow for the year	**(255,4)**	**257,8**
	Cash at beginning of year	**1.086,1**	**828,3**
	Cash at end of year	**830,7**	**1.086,1**

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 for companies in reporting class D.

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 2020. 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 2020.

Basis of consolidation
The Group Annual Report comprises the Parent Company, KAP, 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 50 % or less 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 CPH's primary activities, including gains and losses on the sale of assets and compensation from the Danish government's support packages for wages and salaries and fixed costs.

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, property, plant and equipment and investments.

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

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January, 2022 and have not been applied in preparing this annual report. None of these new standards, amendments to standards and interpretations are expected to have a significant impact on the financial statements of the Group.

The Group will adopt the new standards and interpretations as of the effective dates.

New standards, amendments and interpretations adopted but not yet effective
As of 1 January, 2021, the Group adopted all relevant new or revised International Financial Reporting Standards and IFRIC Interpretations with effective date 1 January, 2021 or earlier. The new or revised standards and interpretations did not affect recognition and measurement materially nor did they result in any material changes to disclosures in the notes. Apart from this, the annual report is presented in accordance with the accounting policies applied in previous years' annual reports.

1.3 GOING CONCERN

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

KAP's subsidiaries CPH and CAD have agreed waiver agreements with its existing lenders during 2021 which relieve the subsidiaries from certain loan covenants up but not including 31 December 2022. This ensures that the subsidiaries will be able to continue to meet its financial commitments.

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

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

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

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

Note	DKK million

1.4 **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.

Note		**2021**			**2020**		
		Including one-off items	**One-off items**	**Excluding one-off items**	**Including one-off items**	**One-off items**	**Excluding one-off items**
2.1,2.2	Revenue	1.760,9	-	1.760,9	1.575,7	-	1.575,7
2.3	Other income	265,8	-	265,8	357,6	-	357,6
2.4	External costs	430,1	-	430,1	361,5	(0,9)	360,6
2.5	Staff costs	1.097,0	-	1.097,0	1.381,1	(150,4)	1.230,7
	EBITDA	**499,6**	**-**	**499,6**	**190,7**	**151,3**	**342,0**
3.1	Amortisation and depreciation	1.012,0	-	1.012,0	915,9	-	915,9
	Operating profit/(loss)	(512,4)	-	(512,4)	(725,2)	151,3	(573,9)
	Profit/(loss) from investments in associates after tax	(4,1)	-	(4,1)	-	-	-
	Operating profit/(loss)	**(516,5)**	**-**	**(516,5)**	**(725,2)**	**151,3**	**(573,9)**
4.1	Net financing costs	1.001,9	-	1.001,9	488,9	-	488,9
	Profit/(loss) before tax	**(1.518,4)**	**-**	**(1.518,4)**	**(1.214,1)**	**151,3**	**(1.062,8)**
2.6	Tax on profit/(loss) of the year	(200,2)	-	(200,2)	(212,2)	33,3	(178,9)
	Profit/(Loss)after tax	**(1.318,2)**	**-**	**(1.318,2)**	**(1.002,0)**	**118,0**	**(883,9)**

2 Results of the year

2.1 Revenue

Accounting policies
The accounting policies for recognition and measurement of business areas are the same as for the income statement and balance sheet. The accounting policies are unchanged from 2020. CPH does not have operating segments in accordance with IFRS 8.

The operating results for the business areas comprise directly attributable revenue less related operating costs. Operating costs comprise external costs, staff costs and amortisation and depreciation.

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

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

Business areas
CPH has two business areas: aeronautical and non-aeronautical.

The business are classification follows the legal and organisational classification of the Group's activities. The aeronautical business area comprises the regulated part of Copenhagen Airports (traffic charges) and the non-aeronautical business area comprises all other activities. This classification is appropriate, as the aeronautical business area reporting also constitutes the reporting of regulatory activities under BL 9-15 (traffic charges). BL 9-15 is described in note 5.6.

Aeronautical
This business area comprises the operations and functions that the airports at Kastrup and Roskilde make available so that airlines can operate their flights, including facilities required for passengers to pass through these airports. Revenue in the aeronautical business area comprises passenger, security, take-off and aircraft-parking charges and other income, including handling and CUTE charges (IT technology used in connection with check-in).

Non-aeronautical
This business area comprises the other facilities and services provided at the airports for passengers and others, including car-parking facilities, shops, restaurants, rest areas, lounges and hotels. The vast majority of the operations are operated by concessionaires.
The business area also includes the leasing of CPH's buildings, premises and land to non-Group lessees. Revenue in the non-aeronautical business area comprises concession revenue; rent from buildings, premises and land; revenue from parking; the hotel oper- ation; services for persons with reduced mobility (PRM); taxi management services (TMS); sale of consulting services concerning airport operation; and other services.

Revenue related to CPH's largest customer amounted to DKK 322.5 million in 2021 (2020: DKK 318.5 million), representing 18.3% of revenue (2020: 20.2%). This revenue relates to both the aeronautical and non-aeronautical business areas. Revenue related to the second- largest customer amounted to DKK 137.3 million in 2021 (2020: DKK 122.6 million), representing 7.8% of revenue (2020: 7.8%). This revenue relates solely to the non-aero- nautical business area. Revenue related to the third-largest customer amounted to DKK 104.3 million in 2021 (2020: DKK 83.5 million), representing 5.9% of revenue (2020: 5.3%). This revenue relates to both the aeronautical and non-aeronautical business areas.

2.2 Revenue

Accounting policies
Revenue comprises the year's traffic revenue, rent, concession revenue and the sale of services, net of value added tax and price reductions directly related to sales, cf. the segment information in note 2.1.

Traffic revenue
Traffic revenue comprises passenger, security, take-off and aircraft-parking charges, handling and CUTE charges (IT technology used in connection with check-in), and is recognised at the time of departure of the aircraft to which the services relate. Start-up discounts for previously unserved routes, transfer/transit discounts based on the preceding 12 months of traffic and incentive schemes for high-frequency feeder routes and to maintain passenger growth are deducted from traffic revenue. The NOX charge is included in take-off charges.

Concession revenue
Concession revenue comprises sales-related revenue from CPH's shopping centre, which is recognised in line with the revenue generated by the concessionaires. Revenue from car-parking facilities is recognised when a car exits the car-parking facilities.

Rent
Rent comprises rent for buildings and land and is recognised over the terms of the contracts.

Revenue from the sale of services, etc.
Revenue from the sale of services, etc. comprises revenue from the hotel operation and other activities, including services for persons with reduced mobility (PRM), which are recognised when the services are provided, and taxi management services (TMS), which are recognised on arrival at the taxi stand. Other services typically include a performance obligation that is recognised either on a straight-line basis over a period or at a particular time when the services are provided.

Notes to the financial statements

Note	DKK million	2021	2020
	Traffic revenue		
	Passenger charges	359,0	282,4
	Security charges	196,2	151,5
	Handling	64,3	50,7
	CUTE-charges	7,9	6,0
	Take-off charges	195,7	170,8
	Aircraft parking, etc.	42,4	34,0
	Total traffic revenue	**865,5**	**695,4**
	Concession revenue		
	Shopping centre	258,9	341,5
	Car parking	155,1	132,6
	Other concession revenue	51,9	33,7
	Total concession revenue	**465,9**	**507,8**
	Rent		
	Rent from premises	111,6	124,5
	Rent from land	52,7	51,4
	Other rent	4,5	5,4
	Total rent	**168,8**	**181,3**
	Sales of services etc.		
	Hotel operation	85,1	58,1
	Other sales of services etc.	175,6	133,1
	Total sales of services etc.	**260,7**	**191,2**
	Total revenue	**1.760,9**	**1.575,7**

Composition of revenue	2021					
	Aeronautical segment	**Non-aeronautical segment**				
DKK mill.	Traffic revenue	Concession revenue*	Car parking	Rent*	Other services	Total
Total for business areas	**865,5**	**310,8**	**155,1**	**168,8**	**260,7**	**1.760,9**
Time of recognition						
- At a certain time	865,5	-	155,1	-	-	1.020,6
- Over time	-	310,8	-	168,8	260,7	740,3
Total	**865,5**	**310,8**	**155,1**	**168,8**	**260,7**	**1.760,9**
Type of contract						
- Fixed price	865,5	75,6	155,1	167,1	260,7	1.524,0
- Revenue-based contracts	-	235,2	-	1,7	-	236,9
Total	**865,5**	**310,8**	**155,1**	**168,8**	**260,7**	**1.760,9**

Composition of revenue	2020					
	Aeronautical segment	**Non-aeronautical segment**				
DKK mill.	Traffic revenue	Concession revenue*	Car parking	Rent*	Other services	Total
Total on segments	**695,4**	**375,2**	**132,6**	**181,3**	**191,2**	**1.575,7**
Time of recognition						
- At a certain time	695,4	-	132,6	-	-	828,0
- Over time	-	375,2	-	181,3	191,2	747,7
Total	**695,4**	**375,2**	**132,6**	**181,3**	**191,2**	**1.575,7**
Type of contract						
- Fixed price	695,4	56,3	132,6	181,3	191,2	1.256,8
- Revenue-based contracts	-	318,9	-	-	-	318,9
Total	**695,4**	**375,2**	**132,6**	**181,3**	**191,2**	**1.575,7**

* Concession revenue and rent are recognised in accordance with IFRS 16 Leases.

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

	2021	2020
Maturity analysis of concession and rent (IFRS 16)		
Within 1 year	315,9	292,0
Between 1 and 2 years	504,7	305,9
Between 2 and 3 years	455,1	486,7
Between 3 and 4 years	394,2	428,2
Between 4 and 5 years	355,4	357,9
After 5 years	3.368,6	3.497,9
Total	**5.393,9**	**5.368,6**

Notes to the financial statements

Note **DKK million**

	2021	2020

2.3 **Other income**

Other income contains items of a secondary nature relative to CPH's primary activities, including compensation from the Danish government's support packages and gains and losses on sale of assets.

	2021	2020
Compensation packages	260,0	348,0
Other	5,8	9,6
Total other income	**265,8**	**357,6**

Other income primarily relates to compensation from the Danish government's support packages for fixed costs.

2.4 **External costs**

Accounting policies

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

	2021	2020
Operation and maintenance	273,1	228,2
Energy	102,7	70,7
Administration	29,4	34,3
Other	24,9	28,3
Total external costs	**430,1**	**361,5**

External costs increased by DKK 68.6 million compared to 2020. The increase should be seen in conjunction with the significant cost cuts made in 2020 as the COVID-19 pandemic forced CPH to adjust its activity to the lower passenger levels. As passengers are once again returning, the costs to operate the Airport is also increasing. In 2020 external costs were cut by DKK 181.9 million compared to 2019, and as such the cost level is still significantly below normal levels.

CPH did not incur one-off costs related to external costs in 2021 (2020: DKK 0.9 million). See note 1.4 for an overview of one-off items.

2.5 **Staff costs**

Accounting policies

Staff costs comprise salaries, wages and pension contributions for CPH 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	2021	2020
Salaries and wages	1.033,4	1.347,2
Pension contributions	94,0	115,0
Other social security costs	8,2	10,5
Other staff costs	28,2	24,3
	1.163,8	1.497,0
Less work performed on own accounts	66,8	115,9
Total staff costs	**1.097,0**	**1.381,1**

Number of people employed by CPH		
Average number of full-time employees	1.821	2.444
Of which civil servants who, pursuant to the Copenhagen Airports Act, retain their status as State employees	11	12

Staff costs decreased by DKK 284.1 million compared to 2020. The decrease is due to the reduction in headcount of 623 FTEs. CPH laid off 772 full-time positions in the second half of 2020 as a consequence of the COVID-19 crisis.

CPH 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 2021 (2020: 21.2%). In 2021, these pension contributions amounted to DKK 0.6 million (2020: DKK 0.7 million).

CPH did not incur one-off costs related to staff costs in 2021 (2020: DKK 150.4 million). See note 1.4 for an overview of one-off items.

Notes to the financial statements

Note **DKK million**

2.6 **Tax on profit/(loss) for the year**

Accounting policies

Copenhagen Airports A/S is taxed jointly with Kastrup Airports Parent ApS (KAP), Copen- hagen Airports Denmark Holding ApS (CADH) and Copenhagen Airports Denmark ApS (CAD), and the two 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/(loss) 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 in 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	**2021**	**2020**
Current income tax	(35,2)	(6,0)
Change in deferred tax	(152,5)	(178,9)
Total	**(187,7)**	**(184,9)**
Tax is allocated as follows:		
Tax on profit/(loss) for the year	(200,2)	(212,2)
Tax on other comprehensive income related to hedging instruments	12,5	27,3
Total	**(187,7)**	**(184,9)**
Breakdown of tax on profit/(loss) for the year		
Tax calculated at 22.0% of profit/(loss) before tax	(334,0)	(267,1)
Tax effect of:		
Non-deductible costs including effect of interest limitation etc.	133,9	54,9
Total	**(200,2)**	**(212,2)**
Provisions for deferred tax		
Balance at 1 January	849,8	1.035,2
Change in deferred tax	(191,0)	(185,4)
Balance at 31 December	**658,8**	**849,8**
Breakdown of deferred tax provisions		
Property, plant and equipment	1.035,7	1.029,1
Other receivables	(1,5)	(3,9)
Other payables	8,6	17,3
Tax loss carried forward	(384,0)	(192,7)
Total	**658,8**	**849,8**
Income tax payable		
Balance at 1 January	432,6	671,0
Tax paid on account in current year	-	-
Payment of tax underpaid in previous year	-	(92,9)
Accrued tax regarding earlier years	(219,9)	(139,5)
Current income tax	-	(6,0)
Balance at 31 December	**212,7**	**432,6**

CPH did not incur one-off tax items in 2021 (2020: DKK 33.3 million). See note 1.4 for an overview of one-off items.

Note DKK million

3 Investments

3.1 **Amortisation and depreciation**

Accounting policies

Amortisation and depreciation comprise the year's charges for this purpose on CPH's intangible assets and property, plant and equipment.

	2021	2020
Software	97,0	117,0
Land and buildings	290,0	270,0
Investment properties	7,6	0,6
Plant and machinery	424,2	340,3
Other fixtures and fittings, tools and equipment	193,2	188,0
Total amortisation and depreciation	**1.012,0**	**915,9**

Depreciation and amortisation were up by DKK 96.1 million, mainly due to higher write-offs of assets in 2021 compared to 2020 and the depreciation relating to the Comfort Hotel building.

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 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 lower of the recoverable amount of the asset and 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.

	2021			2020		
	Software	**Software under development**	**Total**	**Software**	**Software under development**	**Total**
Cost						
Accumulated cost at 1 January	1.153,1	85,4	1.238,5	1.101,6	129,4	1.231,0
Additions	-	9,6	9,6	-	75,4	75,4
Disposals	-18,4	-	-18,4	-79,8	11,9	-67,9
Transferred	29,2	-29,2	-	131,3	-131,3	-
Accumulated cost at 31 December	**1.163,9**	**65,8**	**1.229,7**	**1.153,1**	**85,4**	**1.238,5**
Amortisation						
Accumulated amortisation at 1 January	929,1	-	929,1	839,8	-	839,8
Amortisation	97,0	-	97,0	117,0	-	117,0
Amortisation on disposals	-18,4	-	-18,4	-27,7	-	-27,7
Accumulated amortisation at 31 December	**1.007,7**	**-**	**1.007,7**	**929,1**	**-**	**929,1**
Carrying amount at 31 December	**156,2**	**65,8**	**222,0**	**224,0**	**85,4**	**309,4**
Of which intangible assets for operational leasing	31,7		31,7	52,1		52,1

Major investments in intangible assets include general renewal and maintenance of existing IT systems and development of other minor 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
Investment properties	100 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 expected useful lives, which CPH has estimated above. These estimates are based on the Company's business plans and expected useful lives of the assets, the technical and main- tenance state of the assets, and regulatory requirements. The residual value was estimated at DKK 603.5 million (2020: DKK 184.7 million) 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. CPH 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.

Investment properties owned by the Group are carried at cost less accumulated depreciation. The fair value of the investment properties at 31 December 2021 is DKK 2,314.0 million.
In estimating the runways' useful lives, CPH has divided the system into three elements: foundations, surfaces and technical installations. CPH'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. These technical installations related to the runways are not assessed to have the same useful life as other technical installations, taking into account safety 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 indications of impairment beyond that expressed in the depreciation charges. Where there are such indications, an impairment charge is made against the lower of the recoverable amount of the asset and the carrying amount. In assessing the recoverable amount, CPH takes into account significant indicators of potential impairment such as purchase and selling prices, and general market conditions.

DKK million	Land and buildings*	Investment Properties	2021 Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
Cost						
Accumulated cost at 1 January	9.240,6	254,0	9.224,2	2.397,8	2.256,8	23.373,4
Additions	17,0	664,7	267,9	61,6	560,6	1.571,8
Disposals	-37,7	0,0	-187,8	-23,4	-	-248,9
Transferred	954,3	0,0	456,7	90,5	-1.501,5	-
Accumulated cost at 31 December	**10.174,2**	**918,7**	**9.761,0**	**2.526,5**	**1.315,9**	**24.696,3**
Depreciation						
Accumulated depreciation at 1 January	3.637,4	36,5	4.552,9	1.590,7	-	9.817,5
Depreciation	290,0	7,6	424,2	193,2	-	915,0
Depreciation on disposals	(37,7)	-	(187,8)	(23,4)	-	(248,9)
Accumulated depreciation at 31 Decem	**3.889,7**	**44,1**	**4.789,3**	**1.760,5**	**-**	**10.483,6**
Carrying amount at 31 December	**6.284,5**	**874,6**	**4.971,7**	**766,0**	**1.315,9**	**14.212,7**
Of which fixed assest for operational leasing	1.666,9	874,6	993,3	198,7	-	3.733,5

* At 31 December 2021, CPH's properties were mortgaged for a total of DKK 514.9 million (2020: DKK 514.9 million).

Major additions in 2021 included expansion of Terminal 3 airside, construction of a multi-storey car park, the Comfort Hotel, and new baggage facilities.

DKK million	Land and buildings*	Investment Properties	2020 Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
Cost						
Accumulated cost at 1 January	8.943,9	254,0	8.589,5	2.224,2	2.230,2	22.241,8
Additions	-	-	-	-	1.360,0	1.360,0
Disposals	(29,8)	-	(127,3)	(71,3)	-	-228,4
Transferred	326,5	-	762,0	244,9	(1.333,4)	0,0
Accumulated cost at 31 December	**9.240,6**	**254,0**	**9.224,2**	**2.397,8**	**2.256,8**	**23.373,4**
Depreciation						
Accumulated depreciation at 1 January	3.397,2	35,9	4.339,9	1.474,0	-	9.247,0
Depreciation	270,0	0,6	340,3	188,0	-	798,9
Depreciation on disposals	(29,8)	-	(127,3)	(71,3)	-	-228,4
Accumulated depreciation at 31 Decem	**3.637,4**	**36,5**	**4.552,9**	**1.590,7**	**-**	**9.817,5**
Carrying amount at 31 December	**5.603,2**	**217,5**	**4.671,3**	**807,1**	**2.256,8**	**13.555,9**
Of which fixed assest for operational leasi	1.483,5	217,5	721,1	157,0	-	2.579,1

* See above.

3.4 **Subsidiaries and associates**

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 – 53% owned by CPH
- Copenhagen Airports International A/S, Tårnby, Denmark - 100% owned by CPH
- Ejendomsselskabet KL Hotel A/S, Tårnby, Denmark – 100% owned by Copenhagen Airport Hotels A/S
- Copenhagen Airports Denmark Holding ApS, Allerød, Denmark - 100% owned by KAP
- Copenhagen Airports Denmark ApS, Allerød, Denmark - 100% owned by CADH

Associates

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

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	**2021**	**2020**
Other financial income	20,2	469,3
Interest on other receivables	-0,4	4,1
Exchange gains	4,6	5,9
Gain on sale of securities	0,0	0,7
Total financial income	**24,4**	**480,0**

Financial income decreased by DKK 455.5 million, primarily due to reversal of other financial income.

Financial expenses	**2021**	**2020**
Interest on debt to financial institutions and other loans, etc.	371,7	380,7
Interest on debt to related party	643,8	618,2
Capitalised interest expenses regarding assets under construction	(32,3)	(61,5)
Exchange losses	1,7	3,9
Other financing costs	19,2	15,8
Amortisation of loan costs	22,3	11,3
Total financial expenses	**1.026,3**	**968,4**

Financial expenses increase by DKK 57.9 million, primarily due to higher interest on debt to related party. In addition, amortisation of loan costs increased due to recycling of amortised financial costs in 2021.

An effective interest rate of 1.8% was applied to calculate loan costs for the cost of assets in 2021 (2020: 2.2%), corresponding to CPH'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 the 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 2021 included an unrealised exchange loss of DKK 80.6 million (2020: unrealised exchange gain of DKK 186.0 million) related to long-term loans denominated in USD, offset by an unrealised exchange gain of DKK 80.6 million on currency swaps (2020: unrealised exchange loss of DKK 186.0 million) relating to the same loans.

Amortisation of loan costs relates to costs in connection with the establishment of bank loans and credit facilities and recycling of amortised cost related to loan renewal.

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 interest rate is recognised in the income statement over the term of the loan.

	2021	**2020**
Non-current liabilities	15.580,2	15.299,2
Current liabilities	819,0	147,5
Total	**16.399,2**	**15.446,7**

DKK million	**1 January**	**Cash flow**	**Non-cash changes**		**31 December 2021**
			Reclassification and loan costs	**Foreign exchange movements**	
Long term loans	15.299,2	732,6	9,1	140,5	16.181,4
Short term loans	147,5	70,3	-	-	217,8
Total	**15.446,7**	**802,9**	**9,1**	**140,5**	**16.399,2**

DKK million	**1 January**	**Cash flow**	**Non-cash changes**		**31 December 2020**
			Reclassification and loan costs	**Foreign exchange movements**	
Long term loans	12.074,5	3.406,7	(3,9)	(178,1)	15.299,2
Short term loans	2.248,7	(2.014,2)	-	(87,0)	147,5
Total	**14.323,2**	**1.392,5**	**(3,9)**	**(265,1)**	**15.446,7**

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**	**2021**	**2020**	**2021**	**2020**
Overdraft	DKK	Floating	-	16,0	-	16,0	-
Bank Club	DKK	Floating	22 Aug 2023	2.680,0	1.750,0	2.680,0	1.750,0
Term Loan	DKK	Floating	22 Aug 2023	2.000,0	2.000,0	2.000,0	2.000,0
RD (DKK 64 mio.)**	DKK	Fixed	23 Dec 2032	38,5	41,6	41,7	43,3
Nordea Kredit**	DKK	Floating	30 Dec 2039	404,9	427,9	404,9	427,9
Nordic Investment Bank (NIB)***	DKK	Fixed	12 Feb 2026	68,8	84,1	70,1	88,6
Nordic Investment Bank (NIB)****	DKK	Fixed	19 Dec 2027	635,3	741,2	593,3	863,7
European Investment Bank (EIB)***	DKK	Fixed	15 Dec 2026	250,0	250,0	255,0	262,9
European Investment Bank (EIB)***	DKK	Fixed	7 Apr 2032	600,0	600,0	622,7	594,6
European Investment Bank (EIB)***	DKK	Fixed	26 Jan 2033	400,0	400,0	416,9	435,8
European Investment Bank (EIB)***	DKK	Fixed	14 Aug 2033	600,0	600,0	617,6	640,4
European Investment Bank (EIB)***	DKK	Fixed	12 Apr 2034	700,0	700,0	696,6	729,1
Credit Agricole *****	DKK	Fixed	27 Aug 2025	1.055,0	1.055,0	1.159,7	1.202,3
USPP bond	USD	Fixed	22 Aug 2023	1.049,8	969,2	1.118,3	1.083,0
Credit Agricole *****	DKK	Floating	12 Dec 2024	1.711,9	1.711,9	1.711,9	1.711,9
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	328,1	302,9	328,1	302,9
USPP bond	USD	Fixed	29 Dec 2023	459,3	424,0	459,3	424,0
USPP bond	EUR	Fixed	29 Dec 2023	223,1	223,2	223,1	223,2
EUPP bond	DKK	Floating	22 Jan 2024	969,8	969,8	969,8	969,8
EUPP bond	EUR	Floating	22 Jan 2026	446,2	446,4	446,2	446,4
EUPP bond	EUR	Fixed	22 Jan 2026	557,7	557,9	557,7	557,9
EUPP bond	EUR	Fixed	22 Jan 2024	148,7	148,8	148,7	148,8
Total				16.435,7	15.496,5	16.630,2	15.999,1
Loan costs for future amortisation				(36,5)	(49,8)	(36,4)	(49,8)
Total				**(36,5)**	**(49,8)**	**(36,4)**	**(49,8)**
Total				**16.399,2**	**15.446,7**	**16.593,8**	**15.949,3**

* See note 4.3 for a description of the method for determining the fair value of financial liabilities.
** At 31 December 2021, The Group's properties were mortgaged for a total value of DKK 514.9 million (2020: DKK 514.9 million).
*** Funding for the expansion of Pier C.
**** Funding for the expansion of Copenhagen Airport, which is expected to be completed by the end of 2028.

The fixed-rate USPP bond loan of USD 160 million (2020: USD 160 million) was swapped to DKK on close of contract, both in terms of principal and interest payments, using currency swaps.

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 Groups's risk management.

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 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.

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 primarily relate to receivables, bank deposits, securities and derivative financial instruments.

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. Gross receivables from the sale of services to these customers amounted to approximately 57.9% of the total in 2021 (2020: 30.0%). SAS's credit rating from Standard & Poor's is CCC (2020: 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 given CPH a banker's guarantee equivalent to four months' revenue (2020: 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 2021 totalled DKK 78.1 million (2020: DKK 41.8 million), corresponding to the value of bank deposits and money market deposits, including accrued interest.

Capital management
The Group's policy concerning borrowings is, as far as possible, to ensure a certain flexibility by diversifying funding by maturity date and counterparties. Furthermore, it is the Group's policy to comply with the loan covenants in its loan agreements. The Board of Directors and management ensure that the Group has a sound capital structure and, based on this, the financing policy is approved on an annual basis.

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 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. A number of the Group's agreements on loans and credit facilities may be terminated in the event of failure to comply with these terms and conditions. In May 2021, CPH and CAD obtained waivers for financial covenants covering the period up to and including Q3 2022. CPH and CAD complied with all applicable terms and conditions related to the waivers during 2021 and as at 31 December 2021.

Liquidity risk
In May 2021, CPH prolonged the facility agreement obtained in 2020 totalling DKK 6.0 billion with a club of banks ensuring enough liquidity until August 2023. Further waiver agreements with existing lenders, relieving CPH of certain loan covenants up to Q3 2022 were granted. This was done to ensure that CPH has adequate liquidity during the COVID-19 crisis. A rolling six-month forward liquidity covenant was granted.

The Group's liquid assets consist of cash totalling DKK 830.7 million (2020: DKK 1,086.1 million) and undrawn committed long-term credit facilities totalling DKK 3,504.0 million (2020: DKK 4,250.0 million). CPH also has overdraft facilities available of DKK 184.0 million (2020: DKK 200.0 million).

At 31 December 2021, CPH's liquid assets consist of cash totalling DKK 78.1 million (2020: DKK 41.8 million) and undrawn committed long-term credit facilities totalling DKK 3,504.0 million (2020: DKK 4,250.0 million). CPH also has overdraft facilities available of DKK 184.0 million (2020: DKK 200.0 million).

CPH and CAD complied with the liquidity covenant throughout 2021. From Q4 2022, CPH and CAD shall resume performance of the financial covenant obligations that have been waived by lenders. During 2022, the Group will decide on the future funding strategy for CPH.

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 2021, DKK million	**0-1 year**	**1-5 years**	**After 5 years**	**Total***	**Fair value level 2***	**Carrying amount**
Recognised at amortised cost						
Financial institutions and other loans	1.006,8	14.068,2	2.026,9	17.101,9	16.630,2	16.435,7
Payable to related party	-	-	5.489,1	5.489,1	5.489,1	5.489,1
Trade payables	343,5	-	-	343,5	343,5	343,5
Other payables	283,6	181,3	84,4	549,3	549,3	549,3
Total	**1.633,9**	**14.249,5**	**7.600,3**	**23.483,8**	**23.012,1**	**22.817,6**
Total financial liabilities	**1.633,9**	**14.249,5**	**7.600,3**	**23.483,8**	**23.012,1**	**22.817,6**
Recognised at amortised cost						
Cash	830,7	-	-	830,7	830,7	830,7
Trade receivables	448,6	-	-	448,6	448,6	448,6
Other receivables	35,2	-	-	35,2	35,2	35,2
Total	**1.314,5**	**-**	**-**	**1.314,5**	**1.314,5**	**1.314,5**
Recognised at fair value						
Derivative financial instruments	-	305,0	-	305,0	305,0	305,0
Total	**-**	**305,0**	**-**	**305,0**	**305,0**	**305,0**
Total financial assets	**1.314,5**	**305,0**	**-**	**1.619,6**	**1.619,6**	**1.619,6**

* 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 2020	**0-1 year**	**1-5 years**	**After 5 years**	**Total***	**Fair value level 2***	**Carrying amount**
Recognised at amortised cost						
Financial institutions and other loans	316,0	12.267,4	3.664,2	16.247,6	15.999,1	15.496,4
Payable to related party	7.846,4	-	-	7.846,4	7.846,4	7.846,4
Trade payables	457,6	-	-	457,6	457,6	457,6
Other payables	404,7	235,7	84,4	724,7	724,7	724,7
Total	**9.024,7**	**12.503,1**	**3.748,6**	**25.276,3**	**25.027,8**	**24.525,1**
Total financial liabilities	**9.024,7**	**12.503,1**	**3.748,6**	**25.276,3**	**25.027,8**	**24.525,1**
Recognised at amortised cost						
Cash	1.086,1	-	-	1.086,1	1.086,1	1.086,1
Trade receivables	156,5	-	-	156,5	156,5	156,5
Other receivables	37,3	-	-	37,3	37,3	37,3
Total	**1.279,9**	**-**	**-**	**1.279,9**	**1.279,9**	**1.279,9**
Recognised at fair value						
Derivative financial instruments	-	165,0	-	165,0	165,0	165,0
Total	**-**	**165,0**	**-**	**165,0**	**165,0**	**165,0**
Total financial assets	**1.279,9**	**165,0**	**-**	**1.444,9**	**1.444,9**	**1.444,9**

* See above.

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 most of 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.

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 2021 amount to DKK 49.8 mill. (2020: 81.4 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 2021 has been determined at approximately 4.7 years (2020: approximately 6.4 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 only have a relatively limited impact on the Group's income statement, given the outlook for future interest rate changes.

As the exchange rate and interest rate risk of debt denominated in USD, EUR and DKK is hedged by USD/DKK, EUR/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:**	**2021**	**2020**
An increase in the DKK rate of interest of 1 %-point	101,3	148,8
A decrease in the DKK rate of interest of 1 %-point	(105,2)	(155,8)
An increase in the EUR rate of interest of 1 %-point	(33,8)	(45,9)
A decrease in the EUR rate of interest of 1 %-point	35,4	48,4
An increase in the USD rate of interest of 1 %-point	(30,0)	(46,6)
A decrease in the USD rate of interest of 1 %-point	30,8	48,3

Exchange rate risks
Exchange rate fluctuations would have only a minor impact on CPH'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 and EUR by swapping the exchange rate exposure on both interest and principal from fixed payments in USD and EUR 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 2021 was USD 280 mill. and EUR 185 mill. (2020: USD 280 mill. and EUR 185 mill.). The carrying amount of the currency swap contracts amounted to DKK 194.2 mill. (2020: DKK -3.3 mill.).

Hedging transactions
The net fair value stated will be transferred from Reserve for hedging to the income statement as and when the hedged interest payments are made. The terms to maturity of the cross-currency swaps match the terms to maturity of the related loans.

5 Other notes

5.1 Trade receivables

Accounting policies
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, based on the expected loss over the total life of the receivable.

Estimates and judgements
Using the simplified expected credit loss model, the expected loss on receivables from sales and services 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 are assessed for objective indications of impairment. 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 the debtor having financial difficulties in the form of payment suspension, bankruptcy, expected bankruptcy or the like, a write-down is made on the receivable in question.

	2021	2020
Trade receivables	485,6	205,1
Write-down	37,0	48,6
Net trade receivables	**448,6**	**156,5**
Write-down for bad and doubtful debts		
Accumulated write-down at 1 January	48,6	40,2
Change in write-down for the year	(11,0)	7,6
Realised loss for the year	18,4	2,5
Reversal	(19,0)	(1,7)
Accumulated write-down at 31 December	**37,0**	**48,6**

	2021			2020		
DKKm	**Gross carrying amount**	**Impaired amount**	**Net trade receivables**	**Gross carrying amount**	**Impaired amount**	**Net trade receivables**
Not due	280,0	-	280,0	41,7	-	41,7
Less than 30 days	175,2	(6,8)	168,4	88,1	(2,0)	86,1
30 to 90 days	-	-	-	-	-	-
More than 90 days	30,4	(30,2)	0,2	75,3	(46,6)	28,7
Total	**485,6**	**(37,0)**	**448,6**	**205,1**	**(48,6)**	**156,5**

In a number of cases, CPH 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 448.6 million at 31 December 2021 (2020: DKK 156.5 million), DKK 89.7 million (2020: DKK 57.9 million) was covered by collateral security. The maximum credit risk is reflected in the carrying amount of the financial assets in the balance sheet.

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.
Other payables primarily comprise holiday pay liabilities, payroll taxes, VAT and interest payable and are measured at nominal value.

	2021	2020
Other payables non-current		
Other payables - non-current, incl. Holiday pay, frozen due to news holiday act	265,7	320,0
Balance at 31 December	**265,7**	**320,0**
Other payables - current		
Holiday pay and other payroll items	166,7	279,8
Interest payable	51,2	49,9
Other costs payable	65,7	75,0
Balance at 31 December	**283,6**	**404,7**
Total balance at 31 December	**549,3**	**724,7**

Notes to the financial statements

Note **DKK million**

5.3 **Notes to the cash flow statement**

Received from customers	**2021**	**2020**
Revenue	1.760,9	1.575,7
Change in trade receivables and prepayments from customers	(361,3)	197,4
Total	**1.399,6**	**1.773,1**

Paid to staff, suppliers, etc.	**2021**	**2020**
Operating costs	(1.516,7)	(1.745,2)
Change in other receivables, etc.	238,1	713,2
Change in cost-related trade payables, etc.	(72,8)	(231,8)
Total	**(1.351,4)**	**(1.263,8)**

Interest received, etc.	**2021**	**2020**
Interest received, etc.	-	1,0
Realised exchange gains	5,0	5,1
Total	**5,0**	**6,1**

Interest paid, etc.	**2021**	**2020**
Interest paid, etc.	(410,8)	(391,4)
Realised exchange losses	(0,2)	(0,4)
Other financial costs	(18,0)	(14,8)
Other interest expenses	(0,1)	(1,0)
Total	**(429,1)**	**(407,6)**

5.4 **Financial commitments**

At 31 December 2021, the Group had entered into contracts to build facilities totalling DKK 2,067.1 million (2020: DKK 210.6 million), primarily relating to the expansion of airside facilities, expansion of Terminal 3, expansion of the multi-storey car park, and IT. Other commitments total DKK 61.1 million (2020: DKK 50.9 million).

Furthermore, the Group is committed to providing redundancy pay to civil servants pursuant to the provisions of the Danish Civil Servants Act, cf. note 2.5.

Under the agreement with Naviair for the provision of air traffic services, CPH has accepted liability 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 is subject to certain change of control restrictions in relation to the DKK 6 billion credit facility and the waiver agreements obtained in May 2021.

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 OTPP's underlying holding company and ATP directly.

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 2020 and which sets out the charges applicable for the period 1 April 2020 – 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**	**2021**	**2020**
	Audit fee to PwC	1,8	1,7
	Fees for assurance engagements other than audit	0,7	0,5
	Tax advice	0,2	0,3
	Non-audit services	0,4	0,3
	Total audit fee	**3,0**	**2,7**

Fees for services other than statutory audit of the financial statements of the Group by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab amount to DKK 1.2 mill. (2020: DKK 1.0 mill.) and mainly relate to review of non-financial statements, accounting advice and tax assistance.

5.8 **Post Balance sheet events**

At the date of the Annual Report it is uncertain how the current crisis in Ukraine will develop and how this will influence the business of Copenhagen Airports A/S. Otherwise, no material events have occurred subsequent to the balance sheet date.

5.9 **Uncertainty regarding tax cases**

The Danish Tax Authority (DTA) has made various tax claims against CADH regarding the collection of withholding tax. CADH has disputed all the claims made against it. The Eastern High Court is expected to give judgement in these cases in the beginning of 2023. CADH has in previous years made provisions and write downs in respect of interest and dividend withholding tax amounts, including for late payment interest calculated in accordance with the principles applied by the DTA. The alleged claim for interest withholding tax was paid in full to the DTA in 2017.

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 CADH may be liable. CADH continues to work closely with its advisors to progress the court process.

In 2020, the DTA announced it had incorrectly applied the rules concerning the application of penalty interest in withholding tax cases. This caused a repayment to CADH in relation to the interest withholding tax claim and a reduction in relation to the provision for the claim for dividend withholding tax. During 2021, CADH has obtained further clarity on the principles applied by the DTA in respect to the calculation of late payment interest and adjusted the provisions for this. Following this adjustment, the net provision for the tax claims has decreased in the 2021 accounts.

5.10 **Guarantees and pledges**

CAD has pledged its shares in Copenhagen Airports A/S and its bank deposit as security in favour of its lenders.

Kastrup Airports Parent ApS

c/o Private Equity Administrators ApS
Frederiksborgvej 171
3450 Allerød

CVR no. 33781903

Annual Report 2021

11. Financial year

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 28 June 2022

DocuSigned by:

Torben Christensen

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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. Please refer to the key figures in the consolidated annual report.

Income Statement

	Note	2021 '000 Kr.	2020 '000 Kr.
Other external expenses		(620)	(1.301)
Profit/(Loss) from ordinary operating activities		**(620)**	**(1.301)**
Other finance income from group enterprises		113	972
Finance expenses arising from group enterprises		(576.483)	(617.175)
Other finance expenses		(67.272)	(2.032)
Profit/(Loss) from ordinary activities before tax		**(644.262)**	**(619.536)**
Tax expense on ordinary activities	2	117.957	1.127
Profit/(Loss)	3	**(526.306)**	**(618.410)**

Balance Sheet as of 31 December

	Note	2021 '000 Kr.	2020 '000 Kr.
Assets			
Long-term investments in group enterprises	4	6.884.132	6.884.132
Investments		**6.884.132**	**6.884.132**
Fixed assets		**6.884.132**	**6.884.132**
Short-term receivables from group enterprises		458.926	583.743
Deferred Tax		45.037	6.521
Tax receivables from group enterprises		94.845	102.129
Receivables		**598.808**	**692.393**
Cash and cash equivalents		**48.796**	**213.381**
Current assets		**647.604**	**905.774**
Assets		**7.531.736**	**7.789.905**

Balance Sheet as of 31 December

	Note	2021 '000 Kr.	2020 '000 Kr.
Liabilities and equity			
Contributed capital		433	333
Share premium account		2.999.900	-
Retained earnings		(1.417.290)	(890.984)
Equity		**1.583.043**	**(890.651)**
Payables to group enterprises loans	5	5.422.384	-
Long-term liabilities other than provisions		**5.422.384**	**-**
Trade payables		336	246
Payables to group enterprises		510.567	725.801
Payables to group enterprises loans		-	7.846.380
Tax paybles to group enterprises		15.404	108.130
Current liabilities other than provisions		**526.308**	**8.680.557**
Liabilities other than provisions within the business		**526.308**	**8.680.557**
Liabilities and equity		**7.531.736**	**7.789.905**
Contingent liabilities	6		
Collaterals and securities	7		

Statement of Changes in Equity

	Contributed Capital '000 Kr.	Share Premium account '000 Kr.	Retained Earnings '000 Kr.	Total '000 Kr.
Equity 1 January 2021	333	-	(890.984)	(890.651)
Increase of the share capital	100	2.999.900	-	3.000.000
Profit / (Loss)	-	-	(526.306)	(526.306)
Equity 31 December 2021	**433**	**2.999.900**	**(1.417.290)**	**1.583.043**

Movement in share capital:

	2021 '000 Kr.	2020 '000 Kr.
Balance at the beginning of	333	333
Additions during the year	100	-
Balance at the end of the year	**433**	**333**

Share classes:

	Number of shares	Nominal value of shares
A-shares	3.000	3.000
B-shares	77.000	154.000
C-shares	138.123	276.246
Total	**218.123**	**433.246**

Notes

1. Accounting policies

Basis of Preparation

Reporting class
The Annual Report of Kastrup Airports Parent ApS for 2021 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C. Please 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. Please refer to the cash flow statement for the group in the consolidated annual report.

2. Tax Expense	**2021 '000 Kr.**	**2020 '000 Kr.**
Tax expense for the year	117.957	520
Tax from previous years	-	607
	117.957	**1.127**

3. Proposed distribution of results		
Distributions	-	-
Retained earnings	(526.306)	(618.410)
Profit/(Loss) for the year	**(526.306)**	**(618.410)**

4. Disclosure of long-term investments in Group enterprises and associates
Group enterprises

Name	**Registered office**	**Share Held in %**	**Equity, mDKK**	**Profit, mDKK**
Copenhagen Airports Denmark Holding ApS	Allerød	100	5.571	355
			5.571	**355**

5. Long-term liabilities

	Due within 1 year '000 Kr.	Due within 1 to 5 years '000 Kr.	Due after 5 years '000 Kr.
Payables to group enterprises	-	-	5.422.384
	-	**-**	**5.422.384**

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.

6. Contingent Liabilities

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

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

7. Collaterals and securities

No securities or mortgages exist at the balance sheet date.