Kastrup Airports Parent ApS

c/o Private Equity Administrators ApS
Frederiksborgvej 171
3450 Allerød

CVR. nr. 33781903

Annual Report for 2020

The Annual Report is presented and approved
at the Company's Annual General Meeting
on 4th June 2021

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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 2020.

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 24.

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 2020 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 2020.

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, 4th June 2021

Torben Christensen	Charles Thomazi
Ulrik Dan Weuder	David Mark Stanton

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 2020.

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 24.

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 2020 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 2020.

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, 4th June 2021

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Torben Christensen	Charles Thomazi
Ulrik Dan Weuder	David Mark Stanton

Independent Auditor's Report

To the shareholders of the 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 2020 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2020 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 2020 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Kastrup Airport Parent ApS for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as statement of comprehensive income and cash flow statement for the Group financial statements.

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

Statement on Management's Review
Management is responsible for Management's Review.

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

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

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

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

Independent Auditor's Report

Management's Responsibilities for the Financial Statements
Management is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism 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, 4th June 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Søren Ørjan Jensen

State Authorised Public Accountant

mne33226

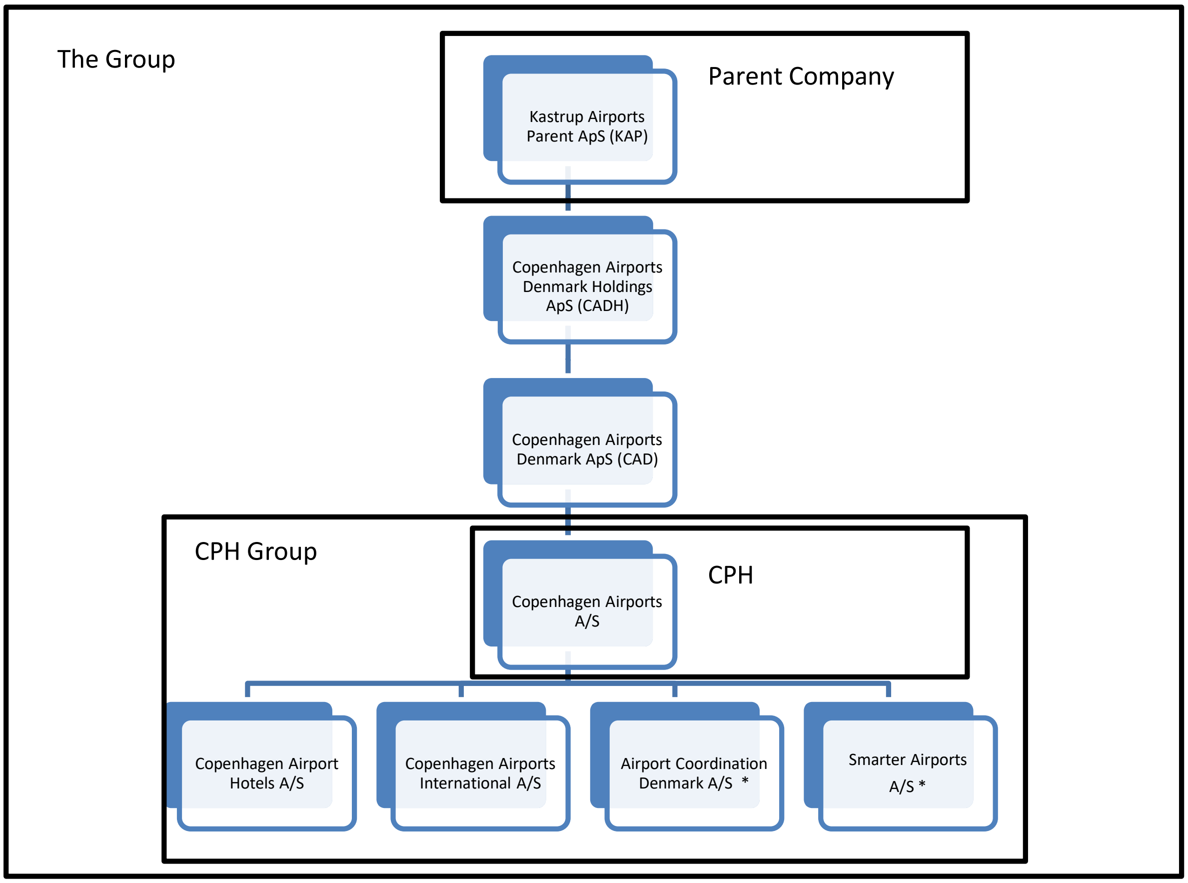
Company information

Executive Board	Charles Thomazi Ulrik Dan Weuder David Mark Stanton Torben Christensen
The Company	Kastrup Airports Parent ApS c/o Private Equity Administrators ApS Frederiksborgvej 171 3450 Allerød
CVR-nr.	33781903
Date of foundation	07-07-2011
Financial year	01-01-2020 - 31-12-2020
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 2020.

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



* Note: these entities are associates of CPH and are therefore not consolidated but accounted for using the equity method

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

Group financial highlights and key ratios

DKK million	2020	2019	2018	2017	2016
Income statement					
Revenue	1.576	4.346	4.445	4.439	4.422
EBITDA	191	2.363	2.502	2.602	2.498
EBIT	-725	1.425	1.574	1.814	1.793
Net financing costs	489	1.036	2.218	920	914
Profit/(Loss) before tax	-1.214	390	-644	894	879
Net profit/(loss)	-1.002	148	-949	563	505
Statement of comprehensive income					
Other comprehensive income	94	91	52	47	-83
Comprehensive income	-908	239	-897	610	421
Balance sheet					
Property, plant and equipment	13.556	12.995	11.726	10.584	9.800
Financial investments	240	117	86	1.096	340
Total assets	15.633	15.241	13.462	13.124	12.279
Equity	-10.363	-9.454	-9.321	-7.572	-7.674
Cash flow statement					
Cash flow from operating activities	418	1.544	1.760	720	1.763
Cash flow from investing activities	-1.549	-2.140	-1.759	-1.473	-1.023
Cash flow from financing activities	1.389	770	194	65	-462
Cash at end of period	1.086	828	653	458	1.147
Key ratios					
EBITDA margin	12,1%	54,4%	56,3%	58,6%	56,5%
EBIT margin	-46,0%	32,8%	35,4%	40,9%	40,5%

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

Management's Review

Financial review

Income statement
EBIT fell to DKK (725) million from DKK 1,425 million (2019). This was driven by a passenger decrease from 30,3 million in 2019 to 7,5 million in 2020 due to the impact of COVID-19.

Balance sheet
Total equity and liabilities are DKK 15,633 million as at 31 December 2020 (2019: DKK 15,241 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 detail.

The expected development of the Group
Global aviation continues to face significant uncertainty from the ongoing COVID-19 pandemic as well as other factors such as economic uncertainty and climate change. The pandemic will continue to affect the number of flights and passengers in 2021, both in terms of leisure and business travel. Airlines have announced that they will continue to operate with reduced capacity and will scale their business based on demand.

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

As a consequence, CPH will continuously assess and adjust the level of operating costs and investments, and will advise the market as and when a meaningful outlook can be provided.

The Company 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 2021. The lenders have agreed to waivers, thereby securing financing and liquidity through 2021.

In addition, CAD, CADH and KAP have received a letter of financial support from its respective parent companies, confirming that current loans and possible future loans to their parent companies will not be called unless liquidity of the company is adequate in order to repay its obligations. This 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 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 2022.

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. The net provision for the interest and withholding tax cases has therefore decreased in the 2020 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 will be lifted, and it was therefore not possible to give an outlook for passenger numbers, revenue, pre-tax result and total investments in the 2020 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. The building sites involved are large-scale projects managed by CPH's Project Department. Building projects within operations and asset management are not included in the statement. 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.
The waste recipients must be approved by the municipality.

Management's Review

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, becoming more age diverse across the organisation and fostering a zero-discrimination culture.
The Group aims to respect and pay attention 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, and we track progress on specific diversity and inclusion targets and KPIs.

Looking at the diversity across CPH's management and workforce, the gender split in 2020 was 66% men and 34% women, which breaks down into 25% female managers and 35% female employees. This means our focus in the coming years will be to step up our efforts and initiatives to support a stronger representation of women in management.
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.

Although the pandemic overshadowed almost everything else in 2020, #MeToo was also on the agenda. CPH has updated its policy on handling harassment and discrimination cases. It has been clarified where employees should turn if they experience discrimination, and we have re-emphasised that the Group has a zero-tolerance approach to all forms of discrimination.

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

In 2020 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.

In CPH, the replacement of Marlene Haugaard with Martin Præstegaard at the Annual General Meeting in 2020 means CPH's Board of Directors now has a gender split of 17% women and 83% men (one woman out of the six shareholder-elected board members). We aim to restore a proportion of 33% female members by 2023.

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. The Management aims to achieve its target before the end of 2024.

Training must build bridges to the future

The Group understands that building employees' competences is critical for its success. The government and labour market parties made several new and improved reimbursable training schemes available to businesses in 2020. While the level of activity at the airport has been very low, we have been able to put extra focus on upskilling employees and better equipping everyone for the future. During 2020, employees completed a total of 1.200 training weeks, with a focus on digital competences and English.

Management's Review

Work environment and health

The coronavirus pandemic has made great demands of both employees and managers in terms of flexible crisis management. CPH's People & Capabilities function has therefore prioritised equipping managers to handle the many and ever-changing challenges. Supporting individual managers to focus on mental health and build resilience in employees has been particularly important in a situation where many people have lost the day-to-day interaction with colleagues and been worried about the company's financial situation and their own jobs.

Lay-offs unavoidable

From the outset of the crisis, CPH set a clear goal of safeguarding as many jobs at the airport as possible. In the spring, around 2.200 (1.600 FTEs) of 2.600 employees were furloughed or put on rotation under the salary compensation scheme that the government agreed with the labour market parties in March.
Even with traffic and revenue at a minimum, a good 40% of the workforce had to be at work to ensure we were able to keep the airport open and running. Furlough and salary compensation protected hundreds of jobs throughout the spring and summer. But the expectation that the world would open a little over the summer unfortunately was significantly below expectations.

With the salary compensation scheme being phased out, management had to make the difficult decision in August to announce savings equivalent to cutting 650 full-time positions. After negotiations with trade union representatives, a total of 625 full-time positions were cut through lay-offs, elimination of vacant positions and voluntary redundancies. What little growth we had seen in July was expected to continue in August, but this did not happen. Over the autumn, the world closed down again, and the authorities advised against all non-essential international travel. As a result, in November CPH was forced to announce it would have to make further cost savings. Following constructive negotiations and a determination on the part of union representatives and employees to find solutions involving competence development, job share scheme and other solidary solutions, the number of lay-offs was reduced.

Occupational injuries

Another key indicator for the working environment is the number of occupational injuries. The Group through CPH work actively to reduce the number of occupational injuries.
The severe economic crisis at the airport meant that large parts of the construction work under way were postponed or halted for good. The number of occupational injuries on building sites, however, increased in 2020 to 13.6 injuries per million working hours. This was still below the 2020 KPI of less than 15.
In absolute numbers, occupational injuries on building sites fell from 21 in 2019 to 7 in 2020. The number of occupational injuries among CPH's own employees was also low, at 5,4 per million working hours, and here, too, well below our KPI of less than 7,5.

Safety

A safe and healthy working environment is fundamental to ensuring CPH remains an attractive place to work. Everyone must be able to carry out their work at the airport as safely as possible. This aspiration was challenged by COVID-19 and the global health crisis in 2020. As soon as the lockdown started in March, we mapped the units responsible for critical specialist functions crucial to continuing safe airport operations in line with the prevailing legislation. We subsequently introduced rotation systems and guidelines to ensure that any outbreak of the virus among CPH's employees would not compromise our ability to keep the airport open.

Management's Review

Safe reopening of CPH

As Denmark reopened its borders in the summer, CPH set up a permanent task force to ensure that the airport is always ready to meet society's expectations and the requirements imposed by public authorities. In the first instance, rapid training of employees and service personnel to cope with the "new normal" was needed to avoid a repeat of the scenes of early summer, when CPH was criticised for passengers standing too close together in the baggage reclaim area.

We have focused on providing solutions in all the physical spaces in which passengers and CPH employees move around: setting up containers of sanitiser all around the terminals and office buildings, extensively deploying visual aids, such as markings on floors, doors, walls and seats, to help people keep their distance, and – of particular relevance to employees – ensuring the availability of antibacterial hand wipes and sanitiser dispensers in meeting rooms, vehicles and canteens.

Absence due to illness

The rate of absence due to illness in 2020 was 4,2%, below the KPI of less than 4,65%. However, this may relate to the fact that many employees were furloughed and the figure may therefore be under-reported.

Unavoidably, a number of CPH employees tested positive for COVID-19. The incidence rate was slightly above the Danish national rate but below that of the capital region. We largely avoided chains of transmission among employees. This outcome is attributable partly to the guidelines and the many initiatives taken by CPH in the course of 2020, and partly to the employees faithfully and conscientiously complying with all the new coronavirus requirements.

Management's Review

Business Ethics and Human Rights

Anti-corruption

Being a responsible workplace also means having in place clear rules for ethical conduct for employees and the company as a whole. The Group does not tolerate any form of corruption or bribery and has therefore introduced several safeguards to minimise risk.

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 make sure 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.

We upheld the relevant procedures in 2020, and our ongoing controls have not given rise to any observations or changes.

To ensure that our interactions with the world around us and internally at CPH are based on sound ethical principles, CPH follows the employee conduct guidelines introduced in 2013. CPH also has detailed guidelines on accepting gifts and participating in events and trips.

Since 2013, CPH has sought to promote a transparent corporate culture by means of a whistle-blower scheme, which provides a channel for everyone to speak up – including if they experience or witness irregularities or unlawful acts.

A responsible business partner

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

Respect for human rights and data protection

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. All passengers at Copenhagen Airport have the right to feel safe, secure and well treated.

In January 2020, CPH adopted the now internationally recognized sunflower lanyard. By wearing this around the neck, passengers give airport employees a clear signal that they may require extra help, time or patience.

The Group is not aware of any complaints made to the Danish Data Protection Agency in 2020 concerning its handling of personal data.

Management's Review

Environmental performance

Sustainable aviation
The Group through CPH wants to be a leader in sustainable solutions – including in relation to our neighbours and the local environment. Among other things, we work to reduce noise, improve air quality and recycle resources to ensure that the airport's environmental impact is reduced wherever possible.

Noise from air traffic is one of an airport's most noticeable environmental impacts, which is why we work with several partners to manage the noise responsibly. Based on figures for January, February and March, the TDENL (Total Day-Evening-Night Level) in 2020 was calculated at 143,2 dB, almost 2 dB lower than in 2019 (145,1). Noise exposure was at a historic low for the rest of the year. The number of take-offs and landings was much lower in 2020 than in previous years, but the change in runway use to accommodate maintenance work also changed the noise pattern in some periods.

CPH works to improve air quality in the interests of neighbours and the working environment for employees at the airport. Our action plan highlights five priorities: phasing out diesel vehicles, mapping knowledge of ultrafine particles, regulating the use of aircraft auxiliary power units (APU), aircraft single-engine taxi and respiratory protection. The target is that all vehicles operating at CPH should be emission-free by 2030.

Climate
As part of the government's climate partnership for aviation, in May 2020 the sector and CPH submitted a joint plan outlining 33 concrete initiatives that can contribute to meeting the political target of a 70% reduction in CO2 emissions from domestic air traffic in 2030 compared to 1990. The goal is climate-neutral aviation by 2050. CPH maintained our ACA accreditation as a carbon-neutral airport (level 3+) in 2020.

In November 2020, CPH joined with the energy industry trade association Dansk Energi and 16 of Denmark's biggest companies in submitting concrete recommendations for a national PtX (Power-to-X fuels) strategy. Establishment of the Aviation Climate Foundation is a key part of the climate partnership's action plan. The foundation will help to finance the transition to the more expensive, sustainable aviation fuels by means of a climate contribution of DKK 20-30 on each local departing passenger from Danish airports.

Furthermore, working closely with the Danish Technological Institute, in 2020 a consortium of 16 European partners headed by CPH won an EU tender to design the sustainable airport of the future. With funding of close to DKK 90 million over the next four years the consortium will develop and demonstrate concrete solutions and examples of how to facilitate a zero-emissions airport and deliver infrastructure for carbon-neutral aircraft.

Waste
Fewer passengers in the terminals meant less waste: 2.089 tonnes compared to 5.385 tonnes in 2019. However, the recycling rate also fell from 27% to 25%. This is mainly because food waste from the food outlets in the terminals, staff canteens and other kitchens at the airport normally accounts for around half of the waste sent for recycling – and there was little of this in 2020.
CPH's target is to recycle 60% of waste from day-to-day operations by 2023.
In 2020, we strengthened how CPH is organised internally and, despite the corona crisis, launched several new initiatives. We set up liquid containers in the area before the security checkpoint so that passengers can empty their bottles and then dispose of them in the new waste containers. This measure alone has reduced our total waste volume by approx. 40-50 tonnes a year and increased the recycling rate.

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 570 million in 2020 including company taxes, environmental and energy taxes, salary taxes etc., VAT and property taxes.

In 2019, the Group was among the top 30 contributors of corporation tax in Denmark.

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

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

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

Financial risk

The Finance Department is responsible for addressing the company's financial risks. The Board of Directors approves the principles and framework governing CPH's financial risk management at least once a year. For further information about how financial risks are managed, see note 4.3 to the financial statements, pages 86-90.

Organisation of risk management

Responsibility for risk management, compliance and internal controls lies with the Executive Management. The Board monitors risk management through the Audit and Risk Management Committee and has delegated responsibility for the ongoing development and implementation to management. The Group Risk Manager monitors and facilitates the practical execution of risk management.

To achieve better risk management and efficient 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 in categories.

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, balanced and quality-assured at individual meetings with risk owners and at management group meetings in the respective business units in advance of the semi-annual risk reporting.

Material risks

CPH is exposed to risks of a strategic, financial and operational nature, as well as risks relating to the airport's reputation. CPH's overall risk profile rarely changes significantly from one year to the next. 2020 was an exception to this rule.

	Description	Impact	Mitigation
Revenue risks	The aviation crisis in the wake of COVID-19 is serious and has affected Copenhagen Airport, the airlines, the businesses operating at the airport and related industries significantly.	Travel restrictions are affecting thousands of Danish jobs and will, in the short to medium term, impact CPH's ability to generate revenue. It is difficult to predict when air traffic will return, but CPH expects that higher levels of operation will follow the distribution of vaccines.	Since the COVID-19 crisis hit and the number of passengers fell dramatically, CPH's revenue sources have come under extreme 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 consumption.
Safety and security	In any crisis, it remains important to ensure safe, high-quality travel for our passengers and safe high-quality operations for our business partners. This is why employee and passenger safety are at the heart of our risk management. In line with CPH's risk tolerance, safety has top priority and is in focus in day-to-day activities. As a result of the COVID-19 crisis, CPH will temporarily be a small airport that must still ensure safe, high-quality travel for all its passengers.	Accidents or breaches of safety rules can have very serious consequences for a workplace such as CPH. As an airport, we focus on delivering punctual and reliable operations within the current rules, while keeping employee and passenger safety and needs in focus. Even during the crisis, safety is paramount at CPH. To reassure passengers, from 15 June 2020 we introduced joint European guidelines on wearing face masks, hygiene and keeping a safe distance in airports.	CPH goes to great lengths to monitor, prevent and act in response to safety incidents. For example, we have developed targeted emergency response plans in close dialogue with our business partners. These plans enable us to react to possible incidents at short notice. CPH measures and reports on incidents each month using the selected KPIs. Please see the notes on page 107 for an example. In addition, CPH is subject to many regulatory safety and security requirements. The Danish Transport, Construction and Housing 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. The demands made of our business are changing rapidly. 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.	In line with our risk appetite, 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 27-34.
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. Therefore, there is a focus on ensuring that CPH's IT strategy supports the goal.	CPH is particularly dependent on well-functioning and reliable IT systems that support our 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.	We are highly focused on protecting our IT systems against hacking, cybercrime and viruses. To this end, we have adopted an IT security strategy to reduce the risk of CPH's IT systems being compromised or damaged.

Consolidated Income statement, 1 January - 31 December

Note	DKK million	2020	2019
	Traffic revenue	695,4	2.415,2
	Concession revenue	507,8	1.392,4
	Rent	181,3	181,5
	Sale of services, etc.	191,2	356,6
2.1, 2.2	**Revenue**	**1.575,7**	**4.345,7**
2.3	Other income	357,6	1,8
2.4	External costs	361,5	539,5
2.5	Staff costs	1.381,1	1.444,5
3.1	Amortisation and depreciation	915,9	938,1
	Operating profit/(loss)	**(725,2)**	**1.425,4**
	Share of profit/(loss) after tax in joint venture	(0,4)	-
4.1	Financial income	480,0	7,1
4.1	Financial expenses	968,5	1.042,7
	Profit/(Loss) before tax	**(1.214,1)**	**389,7**
2.6	Tax on profit/(loss) for the year	(212,2)	241,7
	Net profit/(loss) for the year	**(1.002,0)**	**148,0**
	Non-controlling interest of subsidiaries	259,7	(415,3)
	Net loss for the year attributable to shareholders	**(742,3)**	**(267,2)**

Statement of comprehensive income, 1 January - 31 December

Note	DKK million	2020	2019
	Net profit/(loss) for the year	**(1.002,0)**	**148,0**
	Items that are reclassified to the income statement		
	Currency translation of equity in foreign branch	(2,5)	(0,8)
	Value adjustments of hedging instruments	(62,1)	177,8
4.1	Value adjustments of hedging instruments transferred to financial income and expenses in the income statement	186,0	(59,5)
2.6	Tax on other comprehensive income	(27,2)	(26,3)
	Other comprehensive income for the year	**94,2**	**91,2**
	Total comprehensive income for the year	**(907,8)**	**239,2**
	Non-controlling interest of subsidiaries	244,0	(442,8)
	Total comprehensive income for the year	**(663,8)**	**(203,6)**

Balance sheet, Assets at 31 December

Note	DKK million	2020	2019
	NON-CURRENT ASSETS		
3.2	**Total intangible assets**	**309,4**	**391,2**
3.3	**Property, plant and equipment**		
	Land and buildings	5.820,7	5.764,8
	Plant and machinery	4.671,3	4.249,6
	Other fixtures and fittings, tools and equipment	807,1	750,2
	Property, plant and equipment in progress	2.256,8	2.230,2
	Total property, plant and equipment	**13.555,9**	**12.994,8**
	Financial investments		
3.4	Investments in associates	75,0	0,4
4.3	Other financial assets	165,0	116,6
	Total financial investments	**240,0**	**117,0**
	Tax receivable	**204,7**	**284,9**
	Total non-current assets	**14.310,0**	**13.787,9**
	CURRENT ASSETS		
	Receivables		
5.1	Trade receivables	156,5	427,7
	Other receivables	37,3	130,1
	Prepayments	43,0	67,4
	Total receivables	**236,8**	**625,2**
	Cash	**1.086,1**	**828,3**
	Total current assets	**1.322,9**	**1.453,5**
	Total assets	**15.632,9**	**15.241,4**

Balance sheet, Equity and liabilities at 31 December

Note	DKK million	2020	2019
	EQUITY		
	Share capital	0,3	0,3
	Reserve for hedging	(95,2)	(173,5)
	Cost of hedging	(7,9)	(10,1)
	Retained earnings	(11.394,8)	(10.650,3)
	Non-controlling interests	1.135,2	1.379,3
	Total equity	**(10.362,4)**	**(9.454,3)**
	NON-CURRENT LIABILITIES		
2.6	Deferred tax	849,8	1.035,2
2.6	Income tax	432,6	572,1
4.2	Payables to related party	7.846,4	7.229,2
4.2	Financial institutions and other loans	15.299,2	12.074,5
5.2	Other payables	320,0	96,1
	Total non-current liabilities	**24.748,0**	**21.007,1**
	CURRENT LIABILITIES		
4.2	Financial institutions and other loans	147,5	2.248,7
	Prepayments from customers	234,1	304,9
	Trade payables	457,6	643,9
2.6	Income tax	-	98,9
4.3, 5.2	Other payables	404,7	386,4
	Deferred income	3,4	5,8
	Total current liabilities	**1.247,3**	**3.688,6**
	Total liabilities	**25.995,3**	**24.695,7**
	Total equity and liabilities	**15.632,9**	**15.241,4**

Statement of changes in equity, 1 January - 31 December

Note DKK million	2020 Share capital	2020 Reserve for hedging	2020 Cost of hedging	2020 Retained earnings	2020 Non-controlling interest	2020 Total	2019 Share capital	2019 Reserve for hedging	2019 Cost of hedging	2019 Retained earnings	2019 Non-controlling interest	2019 Total
Equity at 1 January	**0,3**	**(173,5)**	**(10,1)**	**(10.650,3)**	**1.379,3**	**(9.454,3)**	**0,3**	**(231,4)**	**(16,5)**	**(10.382,4)**	**1.309,1**	**(9.320,9)**
Equity addition during the year	-	-	-	-	-	-	-	-	-	-	-	-
Increase of capital	-	-	-	-	-	-	-	-	-	-	-	-
Comprehensive income for the year												
Net profit/(loss) for the year	-	-	-	(742,3)	(259,7)	(1.002,0)	-	-	-	(267,2)	415,3	148,1
Other comprehensive income												
Currency translation of equity in foreign branch	-	-	-	(2,2)	(1,0)	(3,2)	-	-	-	(0,7)	(0,3)	(1,0)
Value adjustments of hedging instruments	-	(8,3)	2,2	-	(42,4)	(48,5)	-	85,5	6,4	-	46,7	138,6
Value adjustments of hedging instruments transferred to financial income and expenses in the income statement	-	86,5	-	-	59,1	145,6	-	(27,6)		-	(18,8)	(46,4)
Total other comprehensive income	**-**	**78,2**	**2,2**	**(2,2)**	**15,7**	**93,9**	**-**	**57,9**	**6,4**	**(0,7)**	**27,6**	**91,2**
Total comprehensive income for the year	**-**	**78,2**	**2,2**	**(744,5)**	**(244,0)**	**(908,1)**	**-**	**57,9**	**6,4**	**(267,9)**	**442,9**	**239,3**
Transactions with owners												
Dividends paid	-	-	-	-	-	-	-	-	-	-	(372,7)	(372,7)
Total transactions with owners	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(372,7)**	**(372,7)**
Equity at 31 December	**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)**

Cash flow statement, 1 January - 31 December

Note	DKK million	2020	2019
	CASH FLOW FROM OPERATING ACTIVITIES		
5.3	Received from customers	1.773,1	4.354,8
5.3	Paid to staff, suppliers, etc.	(1.263,8)	(2.040,9)
	Cash flow from operating activities before financial items and tax	509,3	2.313,9
5.3	Interest received, etc.	6,1	4,7
5.3	Interest paid, etc.	(407,6)	(422,6)
	Cash flow from operating activities before tax	107,8	1.896,1
2.6	Taxes	310,6	(351,8)
	Cash flow from operating activities	**418,3**	**1.544,3**
	CASH FLOW FROM INVESTING ACTIVITIES		
3.3	Payments for property, plant and equipment	(1.441,8)	(2.050,3)
3.2	Payments for intangible assets	(75,4)	(91,0)
	Sales of property, plant and equipment	42,7	1,8
	Payments related to investments in associates	(74,6)	-
	Cash flow from investing activities	**(1.549,1)**	**(2.139,5)**
	CASH FLOW FROM FINANCING ACTIVITIES		
	Other advances	-	(0,6)
4.2	Repayments of long-term loans	(2.147,2)	(2.169,2)
4.2	Proceeds from long-term loans	5.550,0	2.951,4
4.2	Repayments of short-term loans	(2.387,8)	(1.387,7)
4.2	Proceeds from short-term loans	373,6	1.748,7
	Dividends paid	-	(372,3)
	Cash flow from financing activities	**1.388,6**	**770,3**
	Net cash flow for the year	**257,8**	**175,1**
	Cash at beginning of year	**828,3**	**653,2**
	Cash at end of year	**1.086,1**	**828,3**

1.1 SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

Significant accounting estimates
The estimates made by the Group in determining the carrying amounts of assets and liabilities are based on assumptions that are subject to future events. These include, among other things, estimates of the useful lives of property, plant and equipment, and their residual values. Estimates and underlying assumptions are based on historical data and a number of other factors that Management considers relevant under the given circumstances. There are no changes in the estimates made by the Group in determining the carrying amounts compared to 2019. 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 2019.

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, fixed costs and traffic charges.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1.2 RECENTLY ADOPTED ACCOUNTING STANDARDS AND INTERPRETATIONS FOR IMPLEMENATION

With effect from 1 January 2020, the Group has implemented the following amended standards and Interpretations:

- Amendments to References to the Conceptual Framework in IFRS standards
- Amendments to IAS 1 and IAS 8 regarding the Definition of Material
- Amendments to IFRS 9, IAS 39 and IFRS 7 regarding the IBOR reform

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

The implementation of the above-mentioned standards does not have an effect on the result or the Group's financial statements in general.

New standards, amendments and interpretations adopted but not yet effective
The IASB has issued the following new accounting standards and interpretations that are not mandatory for the Group in the preparation of the Group Annual Report for 2020:

- IFRS 17 Insurance Contracts
- IAS 1 Presentation of Financial Statements – Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
- IFRS 3 Business Combinations – Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework
- IAS 16 Property, Plant and Equipment – Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets – Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Costs of Fulfilling a Contract
- Annual Improvements to IFRSs 2018-2020 Cycle

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

Standards and interpretations that have been adopted but are not yet effective are implemented as they become mandatory for the Group. It is assessed that the above standards and interpretations will have an impact on recognition and measurement in the Group's Annual Report.

Note DKK million

1.3 **One-off items**

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

Note		2020			2019		
		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	1.575,7	-	1.575,7	4.345,7	-	4.345,7
2.3	Other income	357,6	-	357,6	1,8	-	1,8
2.4	External costs	361,5	(0,9)	360,6	539,5	(4,0)	535,5
2.5	Staff costs	1.381,1	(150,4)	1.230,7	1.444,5	(13,1)	1.431,4
	EBITDA	**190,7**	**151,3**	**342,0**	**2.363,5**	**17,1**	**2.380,6**
3.1	Amortisation and depreciation	915,9	-	915,9	938,1	-	938,1
	Operating profit/(loss)	**(725,2)**	**151,3**	**(573,9)**	**1.425,4**	**17,1**	**1.442,5**
4.1	Net financing costs	488,9	-	488,9	1.035,6	-	1.035,6
	Profit/(loss) before tax	**(1.214,1)**	**151,3**	**(1.062,8)**	**389,7**	**17,1**	**406,8**
2.6	Tax on profit/(loss) of the year	(212,2)	33,3	(178,9)	241,7	3,8	245,5
	Profit/(Loss)after tax	**(1.002,0)**	**118,0**	**(883,9)**	**148,0**	**13,3**	**161,3**

Notes to the financial statements

Note **DKK million**

2 Results of the year

2.1 Revenue

Accounting policies
The accounting policies for recognition and measurement of segment information are the same as for the income statement and balance sheet. The accounting policies are unchanged from 2019.

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

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

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

Operating segments
CPH has two segments: Aeronautical and Non-aeronautical.

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

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

Revenue related to CPH's largest customer amounted to DKK 323.7 million in 2020 (2019: DKK 875.6 million), representing 20.8% of revenue (2019: 20.1%). This revenue relates to both the aeronautical and non-aeronautical segments. Revenue related to the second-largest customer amounted to DKK 122.6 million in 2020 (2019: DKK 424.1 million), representing 7.8% of revenue (2019: 9.8%). This revenue relates solely to the non-aeronautical segment. Revenue related to the third-largest customer amounted to DKK 83.5 million in 2020 (2019: DKK 454.3 million), representing 5.3% of revenue (2019: 10.5%). This revenue relates to both the aeronautical and the non-aeronautical segments.

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	2020	2019
	Traffic revenue		
	Passenger charges	282,4	1.113,6
	Security charges	151,5	613,2
	Handling	50,7	191,8
	CUTE-charges	6,0	25,5
	Take-off charges	170,8	432,0
	Aircraft parking, etc.	34,0	39,1
	Total traffic revenue	**695,4**	**2.415,2**
	Concession revenue		
	Shopping centre	341,5	917,3
	Car parking	132,6	403,9
	Other concession revenue	33,7	71,2
	Total concession revenue	**507,8**	**1.392,4**
	Rent		
	Rent from premises	124,5	125,8
	Rent from land	51,4	50,3
	Other rent	5,4	5,4
	Total rent	**181,3**	**181,5**
	Sales of services etc.		
	Hotel operation	58,1	66,4
	Other sales of services etc.	133,1	290,2
	Total sales of services etc.	**191,2**	**356,6**
	Total revenue	**1.575,7**	**4.345,7**

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**

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

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

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

	2020	2019
Maturity analysis of concession and rent (IFRS 16)		
Within 1 year	292,1	1.050,7
Between 1 and 2 years	305,9	1.002,9
Between 2 and 3 years	486,7	992,8
Between 3 and 4 years	428,2	569,3
Between 4 and 5 years	357,9	393,7
After 5 years	3.065,5	3.657,5
Total	**4.936,3**	**7.666,9**

Notes to the financial statements

Note	DKK million	2020	2019
2.3	**Other income**		
	Compensation packages	348,0	-
	Other	9,6	1,8
	Total other income	**357,6**	1,8

Other income primarily relates to compensation from the Danish government's support packages for wages and salaries, fixed costs and airport charges.

2.4 **External costs**

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

	2020	2019
Operation and maintenance	228,2	350,7
Energy	70,7	90,4
Administration	34,3	73,8
Other	28,3	24,6
Total external costs	**361,5**	**539,5**

External costs decreased by DKK 178,0 million compared to 2019. This was mainly driven by the focus on cost savings due to the impact of the COVID-19 pandemic. Furthermore, 40% of the airport was mothballed from 25 November 2020, resulting in reduced expenses for energy, cleaning and maintenance.

In 2020, CPH incurred one-off costs of DKK 0.9 million, mainly related to restructuring (2019: DKK 4.0 million). See note 1.3 for an overview of one-off items.

2.5 **Staff costs**

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

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

DKK million	2020	2019
Salaries and wages	1.347,2	1.415,6
Pension contributions	115,0	118,6
Other social security costs	10,5	10,7
Other staff costs	24,3	59,8
	1.497,0	1.604,7
Less work performed on own accounts	115,9	160,2
Total staff costs	**1.381,1**	**1.444,5**
Number of people employed by CPH		
Average number of full-time employees	2.444	2.539
Of which civil servants who, pursuant to the Copenhagen Airports Act, retain their status as State employees	12	15

In 2020, salaries and wages decreased by DKK 63.4 million. This was mainly due to a decrease in headcount of 96 full-time employees and the focus on savings, partly offset by provisions related to redundancies in August and November as a result of the COVID-19 crisis.

The executive board in Kastrup Airports Parents ApS have not received any fee in 2020 (0 in 2019).

The Group makes annual pension contributions to the Danish State. These contributions are paid for those employees who, under their contracts of employment, are entitled to a pension from the Danish State. The rate of pension contributions is fixed by the Minister for Finance and was 21.2% in 2020 (2019: 21.2%). In 2020, these pension contributions amounted to DKK 0.7 million (2019: DKK 0.9 million).

In 2020, the Group incurred one-off cost DKK 150.4 million (2019: DKK 13.1 million), primarily related to restructuring, including redundancy payments. See note 1.3 for an overview of one-off items.

Notes to the financial statements

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

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

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

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

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

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

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

Tax expense	**2020**	**2019**
Current income tax	(6,0)	247,7
Change in deferred tax	(178,9)	20,0
Total	**(184,9)**	**267,7**
Tax is allocated as follows:		
Tax on profit/(loss) for the year	(212,2)	241,7
Tax on other comprehensive income related to hedging instruments	27,3	26,0
Total	**(184,9)**	**267,7**
Breakdown of tax on profit/(loss) for the year		
Tax calculated at 22.0% of profit/(loss) before tax	(6,0)	247,7
Tax effect of:		
Non-deductible costs including effect of interest limitation etc.	(206,2)	(6,0)
Total	**(212,2)**	**241,7**
Provisions for deferred tax		
Balance at 1 January	1.035,2	1.015,2
Change in deferred tax	(185,4)	20,0
Balance at 31 December	**849,8**	**1.035,2**
Breakdown of deferred tax provisions		
Property, plant and equipment	1.029,1	1.012,9
Other receivables	(3,9)	(2,2)
Other payables	17,3	24,5
Tax loss carried forward	(192,7)	-
Total	**849,8**	**1.035,2**
Income tax payable		
Balance at 1 January	671,0	389,7
Tax paid on account in current year	-	(147,9)
Payment of tax underpaid in previous year	(93,3)	(203,2)
Accrued tax regarding earlier years	(139,5)	384,7
Current income tax	(6,0)	247,7
Balance at 31 December	**432,3**	**671,0**

Notes to the financial statements

Note	DKK million

3 Investments

3.1 **Amortisation and depreciation**

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

	2020	2019
Software	117,0	155,6
Land and buildings	270,6	286,5
Plant and machinery	340,3	319,0
Other fixtures and fittings, tools and equipment	188,0	177,0
Total amortisation and depreciation	**915,9**	**938,1**

Total amortisation and depreciation charges decreased by DKK 22.2 million compared to 2019, primarily due to lower write-offs on assets not fully depreciated in 2020 compared to 2019. This was partly offset by an increase in depreciation, which reflects the current level of investment and is increasing because investments had increased previously.

3.2 **Intangible assets**

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

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

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

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

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

	2020			**2019**		
	Software	**Software under development**	**Total**	**Software**	**Software under development**	**Total**
Cost						
Accumulated cost at 1 January	1.101,6	129,4	1.231,0	1.012,4	184,7	1.197,1
Additions	-	75,4	75,4	-	91,0	91,0
Disposals	-79,8	11,9	-67,9	-57,1	-	-57,1
Transferred	131,3	-131,3	-	146,3	-146,3	-
Accumulated cost at 31 December	**1.153,1**	**85,4**	**1.238,5**	**1.101,6**	**129,4**	**1.231,0**
Amortisation						
Accumulated amortisation at 1 January	839,8	-	839,8	741,1	-	741,1
Amortisation	117,0	-	117,0	155,6	-	155,6
Amortisation on disposals	-27,7	-	-27,7	-56,9	-	-56,9
Accumulated amortisation at 31 December	**929,1**	**-**	**929,1**	**839,8**	**-**	**839,8**
Carrying amount at 31 December	**224,0**	**85,4**	**309,4**	**261,8**	**129,4**	**391,2**

Major investments in intangible assets include general renewal and maintenance of existing IT systems and development of other minor IT systems.

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

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

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

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

Land is not depreciated.

Useful lives of property, plant and equipment:

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

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

Significant estimates and judgements
Property, plant and equipment are depreciated to the estimated residual value over their 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 maintenance state of the assets, and regulatory requirements. The residual value has been estimated at DKK 184.7 million (2019: 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.

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 any indications of impairment beyond that expressed in the depreciation charges. Where there are such indications, an impairment charge is made against the recoverable amount of the assets where this is lower than the carrying amount.

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

DKK million	Land and buildings*	2020 Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
Cost					
Accumulated cost at 1 January	9.197,9	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	-
Accumulated cost at 31 December	**9.494,6**	**9.224,2**	**2.397,8**	**2.256,8**	**23.373,4**
Depreciation					
Accumulated depreciation at 1 January	3.433,1	4.339,9	1.474,0	-	9.247,0
Depreciation	270,6	340,3	188,0	-	798,9
Depreciation on disposals	(29,8)	(127,3)	(71,3)	-	(228,4)
Accumulated depreciation at 31 December	**3.673,9**	**4.552,9**	**1.590,7**	**-**	**9.817,5**
Carrying amount at 31 December	**5.820,7**	**4.671,3**	**807,1**	**2.256,8**	**13.555,9**
Of which fixed assest for operational leasing	406,1	721,1	157,0	-	1.284,2

* CPH properties have been mortgaged for a total of DKK 405.7 million (2019: DKK 514.9 million).

Major investments in 2020 included expansion of Terminal 3 landside, completion of Pier E, construction of a multi-storey car park, and new baggage facilities.

DKK million	Land and buildings*	2019 Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
Cost					
Accumulated cost at 1 January	8.498,6	8.228,9	1.985,6	1.893,0	20.606,1
Additions	-	-	-	2.051,1	2.051,1
Disposals	(248,7)	(127,6)	(39,1)	-	-415,4
Transferred	948,0	488,2	277,7	(1.713,9)	0,0
Accumulated cost at 31 December	**9.197,9**	**8.589,5**	**2.224,2**	**2.230,2**	**22.241,8**
Depreciation					
Accumulated depreciation at 1 January	3.395,3	4.148,5	1.336,1	-	8.879,9
Depreciation	286,5	319,0	177,0	-	782,5
Depreciation on disposals	(248,7)	(127,6)	(39,1)	-	-415,4
Accumulated depreciation at 31 December	**3.433,1**	**4.339,9**	**1.474,0**	**-**	**9.247,0**
Carrying amount at 31 December	**5.764,8**	**4.249,6**	**750,2**	**2.230,2**	**12.994,8**
Of which fixed assest for operational leasing	421,2	693,8	148,7	-	1.263,7

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

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

Notes to the financial statements

Note	DKK million

4 # Financing and financial risks

4.1 **Financial income and expenses**

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

Financial income	**2020**	**2019**
Other financial income	469,3	0,0
Interest on other receivables	4,1	3,5
Exchange gains	5,9	3,6
Gain on sale of securities	0,7	0,0
Total financial income	**480,0**	**7,1**

Financial income increased by DKK 472,9 million, primarily due to other financial income.

Financial expenses	**2020**	**2019**
Interest on debt to financial institutions and other loans, etc.	380,7	423,2
Interest on debt to related party	618,2	570,2
Capitalised interest expenses regarding assets under construction	(61,5)	(60,1)
Exchange losses	3,9	2,9
Other financing costs	15,8	101,7
Amortisation of loan costs	11,3	4,9
Total financial expenses	**968,4**	**1.042,7**

Financial expenses decreased by DKK 74,3 million, primarily due to a lower average interest rate partly offset by higher commitment fees.

An effective interest rate of 2,2% was applied to calculate loan costs for the cost of assets in 2020 (2019: 2,6%), 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 2020 included an unrealised exchange gain of DKK 186.0 million (2019: unrealised exchange loss of DKK 59.5 million) related to long-term loans denominated in USD and GBP, offset by an unrealised exchange loss of DKK 186.0 million on currency swaps (2019: unrealised exchange gain of DKK 59.5 million) relating to the same loans.

Other financing costs mainly consist of interest on tax payments and interest costs on commercial exposures.

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

4.2 **Financial institutions and other loans**

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

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

	2020	**2019**
Non-current liabilities	15.299,2	12.074,5
Current liabilities	147,5	2.248,7
Total	**15.446,7**	**14.323,2**

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**

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

Notes to the financial statements

Note	DKK million

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**	**2020**	**2019**	**2020**	**2019**
Overdraft	DKK	Floating	-	-	118,2	-	118,2
Bank Club	DKK	Floating	20 Dec 2025	-	200,0	-	200,0
Bank Club	DKK	Floating	7 May 2022	1.750,0	-	1.750,0	-
Danske Bank	DKK	Fixed	30 Jun 2020	-	800,0	-	800,8
Term Loan	DKK	Floating	7 May 2022	2.000,0	-	2.000,0	-
RD (DKK 64 mio.)**	DKK	Fixed	23 Dec 2032	41,6	44,6	43,3	48,7
Nordea Kredit**	DKK	Floating	30 Dec 2039	427,9	450,9	427,9	450,9
Nordic Investment Bank (NIB)***	DKK	Fixed	12 Feb 2026	84,1	99,4	88,6	104,7
Nordic Investment Bank (NIB)****	DKK	Fixed	19 Dec 2027	741,2	847,1	863,7	900,1
European Investment Bank (EIB)**	DKK	Fixed	15 Dec 2026	250,0	250,0	262,9	275,1
European Investment Bank (EIB)**	DKK	Fixed	7 Apr 2032	600,0	600,0	594,6	678,5
European Investment Bank (EIB)**	DKK	Fixed	26 Jan 2033	400,0	400,0	435,8	459,7
European Investment Bank (EIB)**	DKK	Fixed	14 Aug 2033	600,0	600,0	640,4	630,7
European Investment Bank (EIB)**	DKK	Fixed	12 Apr 2034	700,0	700,0	729,1	782,6
Credit Agricole *****	DKK	Fixed	27 Aug 2025	1.055,0	1.055,0	1.202,3	1.203,7
USPP bond	USD	Fixed	29 Jun 2020	-	981,4	-	1.028,5
USPP bond	USD	Fixed	22 Aug 2023	969,2	1.068,2	1.083,0	1.194,2
USPP bond	GBP	Fixed	29 Jun 2020	-	201,6	-	212,8
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	302,9	333,8	302,9	333,8
USPP bond	USD	Fixed	29 Dec 2023	424,0	467,3	424,0	467,3
USPP bond	EUR	Fixed	29 Dec 2023	223,2	224,1	223,2	224,1
EUPP bond	DKK	Floating	22 Jan 2024	969,8	969,8	969,8	969,8
EUPP bond	EUR	Floating	22 Jan 2026	446,4	448,2	446,4	448,2
EUPP bond	EUR	Fixed	22 Jan 2026	557,9	560,3	557,9	560,3
EUPP bond	EUR	Fixed	22 Jan 2024	148,8	149,4	148,8	149,4
Total				15.496,5	14.373,7	15.999,1	15.046,6
Loan costs for future amortisation				(49,8)	(50,5)	(49,8)	(50,5)
Total				**(49,8)**	**(50,5)**	**(49,8)**	**(50,5)**
Total				**15.446,7**	**14.323,2**	**15.949,3**	**14.996,1**

* See note 4.3 for a description of the method for determining the fair value of financial liabilities.
** The Group's properties have been mortgaged for a total value of DKK 405,7 mill. (2019: DKK 514,9 mill.).
*** Funding for the expansion of Pier C.
**** Funding for the expansion of Copenhagen Airport.
***** These loans are issued by a consortium of banks, with Crédit Agricole acting as Agent. These loans are secured by shares in CPH and bank deposits.

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

Note **DKK million**

4.3 Financial risks

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

Derivative financial
Derivative financial instruments are initially recognised in the balance sheet at fair value on the transaction date under Other receivables and Other payables, respectively.
Changes in the fair value of derivative financial instruments that are designated as fair value hedges of a recognised asset or liability are recognised in the income statement together with any changes in the fair value of the hedged asset or hedged liability.

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

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

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

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

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

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

The Group's trading partners SAS, Norwegian and Gebr. Heinemann (the largest concessionaire), constitute the most significant concentration of credit risk. In 2020, gross receivables from the sale of services to these customers amounted to approximately 30.0% (2019: 40.0%) of the total. SAS's credit rating from Standard & Poor's is B- (2019: 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 (2019: 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 2020 totalled DKK 41.8 million (2019: DKK 19.2 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.

Liquidity risk
In May 2021, CPH entered into an agreement with a club of banks to extend a facility agreement totalling DKK6.0 billion from May 2022 to August 2023. Further, CPH and CAD entered into waiver agreements with existing lenders, relieving the companies of certain loan covenants for 2021 and 2022. This was done to ensure that the Group 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 1.086,1 million (2019: DKK 828,3 million) and undrawn committed long-term credit facilities totalling DKK 4.250,0 million (2019: DKK 1.800,0 million). CPH also has overdraft facilities available of DKK 200,0 million (2019: DKK 81,8 million).

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 2020, 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	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**

* 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 2019	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	2.620,1	6.480,5	5.966,5	15.067,1	15.046,5	14.373,7
Payable to related party	-	7.229,2	-	7.229,2	7.229,2	7.229,2
Trade payables	643,9	-	-	643,9	643,9	643,9
Other payables	442,9	-	-	442,9	442,9	442,9
Total	**3.706,9**	**13.709,7**	**5.966,5**	**23.383,1**	**23.362,5**	**22.689,7**
Recognised at fair value						
Derivative financial instruments	2,0	56,5	-	58,5	58,5	58,5
Total	**2,0**	**56,5**	**-**	**58,5**	**58,5**	**58,5**
Total financial liabilities	**3.708,9**	**13.766,2**	**5.966,5**	**23.441,6**	**23.421,0**	**22.748,2**
Recognised at amortised cost						
Cash	828,3	-	-	828,3	828,3	828,3
Trade receivables	427,7	-	-	427,7	427,7	427,7
Other receivables	130,1	-	-	130,1	130,1	130,1
Total	**1.386,1**	**-**	**-**	**1.386,1**	**1.386,1**	**1.386,1**
Recognised at fair value						
Derivative financial instruments	80,6	116,6	-	197,2	197,2	197,2
Total	**80,6**	**116,6**	**-**	**197,2**	**197,2**	**197,2**
Total financial assets	**1.466,7**	**116,6**	**-**	**1.583,3**	**1.583,3**	**1.583,3**

* See above.

Notes to the financial statements

Note	DKK million

4.3 **Financial risks, continued**

Market risks

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

For the Group the interest rate swap on the mortgage loan has expired 31 December 2019. Accordingly, there are no outstanding DKK interest rate swaps for mortgage loans at year end (2019: DKK 0 mill.). In addition, the Group has interest rate swaps in place for floating EUPP bonds and Credit Agricole loans. Total fair value of the Group's interest rate swaps in 2020 amount to DKK (81,4) mill. (2019: 109,9 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 2020 has been determined at approximately 6,4 years (2019: approximately 6,3 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 limited impact on the Group's income statement.

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

Sensitivity analysis of the current portfolio of swap contracts

DKK million EFFECT ON EQUITY OF:	2020	2019
An increase in the DKK rate of interest of 1 %-point	148,8	211,9
A decrease in the DKK rate of interest of 1 %-point	(155,8)	(223,3)
An increase in the EUR rate of interest of 1 %-point	(45,9)	(57,4)
A decrease in the EUR rate of interest of 1 %-point	48,4	61,1
An increase in the USD rate of interest of 1 %-point	(46,6)	(71,9)
A decrease in the USD rate of interest of 1 %-point	48,3	75,1
An increase in the GBP rate of interest of 1 %-point	-	(1,0)
A decrease in the GBP rate of interest of 1 %-point	-	1,0

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

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

Currency swaps
Currency swaps have been used to hedge fixed-rate bond loans denominated in USD, EUR and GBP by swapping the exchange rate exposure on both interest and principal from fixed payments in USD, EUR and GBP to fixed payments in DKK throughout the terms of the respective loans. The total notional amount of these outstanding cross-currency swaps at 31 December 2020 was USD 280 mill., EUR 185 mill. and GBP 0 mill. (2019: USD 427 mill., EUR 185 mill. and GBP 23 mill.). The carrying amount of the currency swap contracts amounted to DKK -3,3 mill. (2019: DKK 138,7 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.

Note | DKK million

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.

Interest on written-down receivables is recognised based on the written-down value using the effective interest rate for each 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.

	2020	2019
Trade receivables	205,1	467,9
Write-down	48,6	40,2
Net trade receivables	**156,5**	**427,7**
Write-down for bad and doubtful debts		
Accumulated write-down at 1 January	40,2	35,5
Change in write-down for the year	7,6	2,4
Realised loss for the year	2,5	2,8
Reversal	(1,7)	(0,5)
Accumulated write-down at 31 December	**48,6**	**40,2**

	2020			2019		
DKKm	**Gross carrying amount**	**Impaired amount**	**Net trade receivables**	**Gross carrying amount**	**Impaired amount**	**Net trade receivables**
Not due	41,7	-	41,7	361,4	(5,9)	355,5
Less than 30 days	88,1	(2,0)	86,1	67,0	(1,0)	66,0
30 to 90 days	-	-	-	7,4	(1,4)	6,0
More than 90 days	75,3	(46,6)	28,7	32,1	(31,9)	0,2
Total	**205,1**	**(48,6)**	**156,5**	**467,9**	**(40,2)**	**427,7**

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 156.5 mill. (2019: DKK 427.7 mill.), DKK 57.9 mill. (2019: DKK 101.0 mill.) 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. The method for providing for holiday pay was changed in 2019 from a summary to an actual calculation.

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

	2020	2019
Other payables non-current		
Other payables - non-current, incl. Holiday pay, frozen due to news holiday act	320,0	96,1
Balance at 31 December	**320,0**	**96,1**
Other payables - current		
Holiday pay and other payroll items	279,8	254,6
Interest payable	49,9	48,3
Other costs payable	75,0	140,0
Balance at 31 December	**404,7**	**442,9**
Total balance at 31 December	**724,7**	**539,0**

Notes to the financial statements

Note **DKK million**

5.3 **Notes to the cash flow statement**

Received from customers	**2020**	**2019**
Revenue	1.575,7	4.345,7
Change in trade receivables and prepayments from customers	197,4	9,1
Total	**1.773,1**	**4.354,8**

Paid to staff, suppliers, etc.	**2020**	**2019**
Operating costs	(1.745,2)	(1.985,1)
Change in other receivables, etc.	713,2	15,6
Change in cost-related trade payables, etc.	(231,8)	(71,3)
Total	**(1.263,8)**	**(2.040,9)**

Interest received, etc.	**2020**	**2019**
Interest received, etc.	1,0	1,0
Realised exchange gains	5,1	3,7
Total	**6,1**	**4,7**

Interest paid, etc.	**2020**	**2019**
Interest paid, etc.	(391,4)	(420,4)
Realised exchange losses	(0,4)	(0,2)
Other financial costs	(14,8)	(0,9)
Other interest expenses	(1,0)	(1,1)
Total	**(407,6)**	**(422,6)**

5.4 **Financial commitments**

At 31 December 2020, the Group had entered into contracts to build facilities totalling DKK 210.6 million (2019: DKK 432.5 million) and other commitments totalling DKK 34.5 million (2019: DKK 44.5 million). Major commitments include contracts for capacity expansion of the baggage facility, construction of the multi-storey car park, and expansion of Terminal 3.

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

In January 2018, Petter Anker Stordalen and the Group entered into an agreement that Nordic Choice Hotels would assume management of the existing airport hotel from 1 April 2018. The existing airport hotel has been upgraded to a high-end Clarion Hotel. The agreement also included the construction of a 600-room Comfort Hotel and a 3,000 m² conference facility, expected to be opened by Nordic Choice Hotels in mid-2021. The total budget for upgrading and new construction will be approximately DKK 1.0 billion. When work on the new hotel and conference centre is complete, Petter Anker Stordalen's property company, Strawberry Fields, will hold a 47 % stake in the two hotels and the conference centre, with the Group holding the remaining 53 %. The Group retains control.

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

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

The Group is subject to certain change of control restrictions in relation to the DKK 6 billion credit facility and the waiver agreements obtained in May 2020.

Notes to the financial statements

Note **DKK million**

5.5 **Related parties**

The Group's related parties are the Danish Labour Market Supplementary Pension (ATP) and the Ontario Teachers' Pension Plan (OTPP), cf. their controlling ownership interests in the Group and an associate (see note 3.4). See also note 2.5 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.

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

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

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

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

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

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

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

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

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

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

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

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

Notes to the financial statements

Note	DKK million		
5.7	**Fees to auditors appointed at the Annual General Meeting**	**2020**	**2019**
	Audit fee to PwC	1,7	1,7
	Fees for assurance engagements other than audit	0,5	0,5
	Tax advice	0,3	0,1
	Non-audit services	0,3	0,7
	Total audit fee	**2,7**	**3,0**

Fees for services other than statutory audit of the consolidated financial statements and the financial statements of the Parent Company provided to CPH by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab amount to DKK 1,0 mill. (2019: DKK 1.3 mill.) and mainly relate to review of non-financial statements, accounting advice and tax assistance.

5.8 **Post Balance sheet events**

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 2022.
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 calleged 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.
The net provision for the interest and withholding tax cases has therefore decreased in the 2020 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 2020

10. Financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 4th June 2021

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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	2020 1.000 Kr	2019 1.000 Kr
Other external expenses		(1.301)	(621)
Profit/(Loss) from ordinary operating activities		**(1.301)**	**(621)**
Other finance income from group enterprises		972	1.037
Finance expenses arising from group enterprises		(617.175)	(568.782)
Other finance expenses		(2.032)	(2.399)
Profit/(Loss) from ordinary activities before tax		**(619.536)**	**(570.764)**
Tax expense on ordinary activities	2	1.127	109
Profit/(Loss)	3	**(618.410)**	**(570.655)**

Balance Sheet as of 31 December

	Note	2020 1.000 Kr	2019 1.000 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		685.872	699.807
Deferred Tax		6.521	-
Receivables		**692.393**	**699.807**
Cash and cash equivalents		**213.381**	**198.339**
Current assets		**905.774**	**898.145**
Assets		**7.789.905**	**7.782.277**

Balance Sheet as of 31 December

	Note	2020 1.000 Kr	2019 1.000 Kr
Liabilities and equity			
Contributed capital		333	333
Retained earnings		(890.984)	(272.575)
Equity		**(890.651)**	**(272.242)**
Trade payables		246	147
Payables to group enterprises		833.931	726.407
Payables to group enterprises loans	5	7.846.380	7.229.205
Tax payables		-	98.760
Current liabilities other than provisions		**8.680.557**	**825.314**
Liabilities other than provisions within the business		**8.680.557**	**8.054.519**
Liabilities and equity		**7.789.905**	**7.782.277**
Contingent liabilities	6		
Collaterals and assets pledges as security	7		

Statement of Changes in Equity

	Contributed Capital 1.000 Kr	Retained Earnings 1.000 Kr	Total 1.000 Kr
Equity 1 January 2020	333	(272.575)	(272.242)
Profit (loss)	-	(618.410)	(618.410)
Equity 31 December 2020	**333**	**(890.984)**	**(890.651)**

Movement in share capital:

	2020 000 Kr.	2019 000 Kr.	2018 000 Kr.	2017 000 Kr.	2016 000 Kr.
Balance at the beginning of the year	333	333	324	324	163
Additions during the year	-	-	9	-	160
Balance at the end of the year	**333**	**333**	**333**	**324**	**324**

Share classes:

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

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

Notes

1. Accounting policies

Basis of Preparation

Reporting class
The Annual Report of Kastrup Airports Parent ApS for 2020 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.

	2020	**2019**
2. Tax Expense	**1.000 Kr**	**1.000 Kr**
Tax expense for the year	520	376
Tax from previous years	607	(267)
	1.127	**109**

3. Proposed distribution of results		
Distributions	-	-
Retained earnings	(618.410)	(570.655)
Profit/(Loss) for the year	**(618.410)**	**(570.655)**

4. Disclosure in 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	Copenhagen	100	5.216	735
			5.216	**735**

5. Long-term liabilities

	Due within 1 year 1.000 Kr	Due After 1 year 1.000 Kr	Due After 5 years 1.000 Kr
Payables to group enterprises	7.846.380	-	-
	7.846.380	**-**	**-**

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.