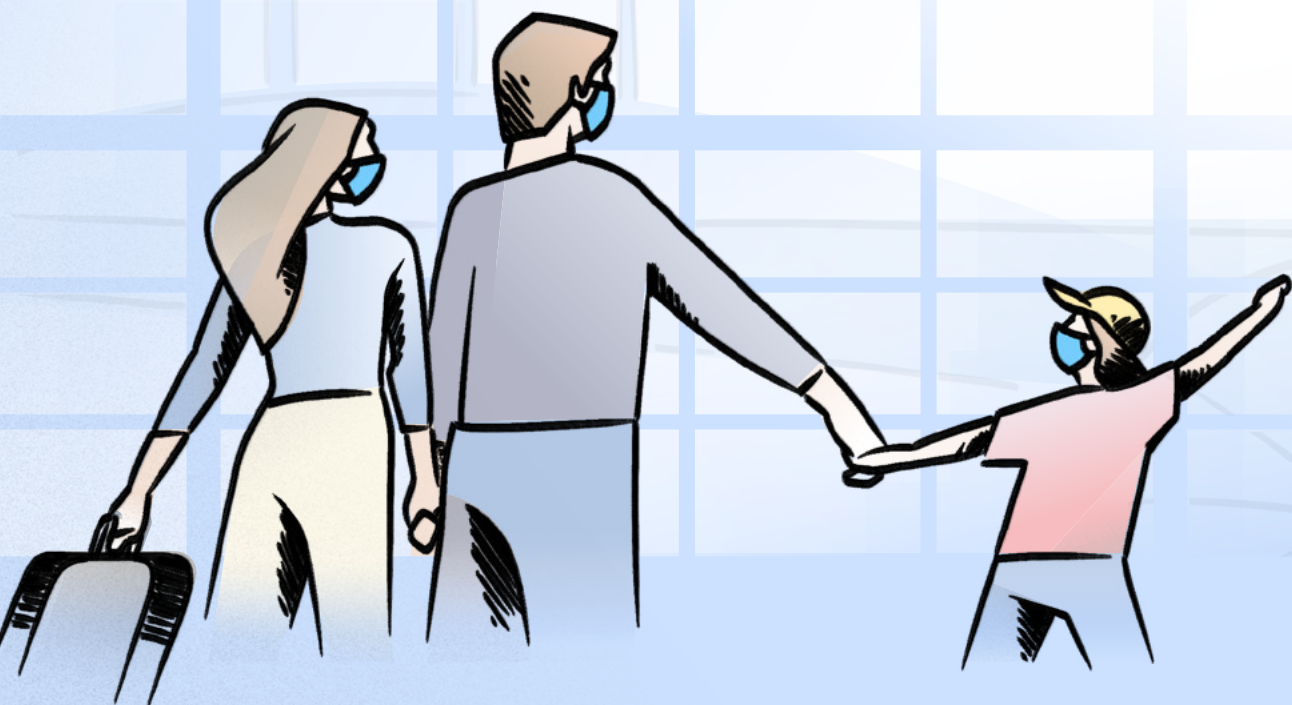


CPH



Copenhagen Airports
Group Annual Report 2020

Let's travel with care

Company reg. (CVR) no.: 14 70 72 04

Group Annual Report 2020

Pursuant to section 149(2) of the Danish Financial Statements Act, the Group Annual Report 2020 is an extract of the complete Annual Report of Copenhagen Airports A/S. The complete Annual Report, including the Annual Report of the Parent Company, Copenhagen Airports A/S (pages 118-131), and the statutory report on corporate governance, can be downloaded at www.cph.dk/en/about-cph/investor.

Following adoption at the Annual General Meeting, the complete Annual Report will also be available from the Danish Business Authority.

The allocation of the loss for the year is set out on [page 57](#).

Annual General Meeting

As a result of the COVID-19 situation the Annual General Meeting will be conducted online with electronic voting on 26 April 2021, starting at 3:00 p.m.

Report on corporate responsibility

The statutory reports on corporate responsibility, the under-represented gender and board diversity prepared in accordance with sections 99a, 99b and 107d of the Danish Financial Statements Act are provided in the sections on *Business environment & model* and *Risk management, risks & internal controls* of the Management's review and in the *Performance* section.

In these sections, Copenhagen Airports A/S (CPH) explains how we worked with non-financial business targets in 2020 and outlines the results achieved during the year. For a more detailed, quantified description of Corporate Responsibility (CR) results achieved in 2020, see the non-financial statements.

The above-mentioned sections also represent CPH's yearly Communication On Progress (COP) to the UN Global Compact, of which CPH has been a member since 2011. Thus, this report serves as a declaration of our continued support for the UN Global Compact and its ten principles.

Forward-looking statements – risks and uncertainties

This Annual Report includes forward-looking statements as described in the US Private Securities Litigation Reform Act of 1995 and similar acts of other jurisdictions on forward-looking statements, including in particular statements concerning future revenues, operating profits, business expansion and investments.

Such statements are subject to risks and uncertainties, as various factors, many of which are beyond CPH's control, may cause actual results to differ materially from the guidance expressed in the Annual Report. Such factors include general economic and business conditions, changes in exchange rates, the demand for CPH's services, competitive factors within the aviation industry, operational problems in one or more of the Group's businesses, and uncertainties relating to acquisitions and divestments. See also *management, risks & internal controls* on [pages 43-44](#).

Copenhagen Airports A/S

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Web	www.cph.dk
Company reg. (CVR) no.	14 70 72 04
Established	19 September 1990
Municipality of registered office	Taarnby

Designations

Copenhagen Airports, CPH, the Group and the company are used synonymously to refer to Copenhagen Airports A/S consolidated with its subsidiaries and associates.

Copenhagen Airport

The airport at Kastrup, Copenhagen, owned by Copenhagen Airports A/S.

Roskilde Airport

The airport at Roskilde owned by Copenhagen Airports A/S.

Published by Copenhagen Airports A/S

Design and layout

Kontrapunkt

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Borella projects

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Passengers in 2020

7.5 million

30.3 million in 2019

The big picture

On the road to recovery

Serious crises can bring out the best in people and companies. That has been the case at Copenhagen Airports, where we have used the COVID-19 crisis to become a leaner, more agile company with adaptable employees and strengthened relations with the airlines, partners, authorities and other stakeholders. We are well positioned for the road to recovery.

For Copenhagen Airports, 2020 was the worst year since the Second World War. Passenger numbers plummeted from 30.3 million to 7.5 million – the same as in 1970. A pre-tax profit of around DKK 1.3 billion in 2019 turned into a loss of DKK 828 million in 2020.

But 2020 was also a year in which employees, management and owners, in partnership with our stakeholders, stood together to weather the storm so that in 2021 we are well-adapted, stronger and ready to restart and rebuild.

During the year, a united CPH was geared up to act quickly in an unpredictable reality of ever-changing travel and testing guidelines. This bodes well for the future.

We are confident of a good future for CPH and the aviation industry in which we will all fulfil the pre-COVID ambition of a green transition for the whole sector. That same confidence in CPH is shared by our lenders, who have provided credit facilities of DKK 6 billion to help us through 2020 and given us the platform to restart in 2021. In addition, due to the credit facilities provided, all our lenders provided support in waiving debt covenants until June 2021. We would like to thank them all for their cooperation.

In 2020, CPH took significant actions to reduce costs and actively use the crisis to simplify and identify new, effective solutions. More than DKK 200 million in reductions related solely to external costs. In addition,

planned investments were reduced by approximately DKK 800 million. In August and November 2020, CPH also implemented organisational adjustments to the activity level expected for the foreseeable future. These adjustments will reduce yearly operational costs for CPH by approximately DKK 500 million.

It has been vital for us to succeed in significantly slimming down. As critical infrastructure and Denmark's gateway to the world, we could not simply shut down and wait for better times. We had to stay open for the very limited passenger traffic that remained, and not least for important air cargo. This has meant that expenditure has far exceeded revenue.

Collaboration to save jobs

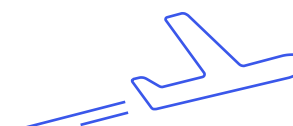
In spring 2020, when we reached a low point of just 424 passengers on 9 April, we remained calm. Excellent collaboration with the authorities and the government brought flexibility to the salary compensation scheme, allowing employees to be on rotation or furloughed. This was crucial.

Overall, CPH received DKK 348 million in compensation packages during the year of coronavirus. This gave us the breathing space to carry out the essential company adaptations and allowed us to protect the jobs of 2,600 employees until the end of August, when we had to make the first lay-offs. At the end of the year, there were 772 fewer full-time positions (FTEs). While this has not been easy for anyone concerned, like others

across Europe we have had to face up to the reality of the new situation.

As a consequence of the very low activity level at the airport, CPH and the unions worked together on, among other things, upskilling and division of labour. The joint effort and excellent collaboration meant that CPH was able to avoid cutting a further 300 jobs. Our union partners deserve huge credit for this.

Overall, it is estimated that 10,000 jobs have been lost in the Danish aviation sector – the majority in the 1,000 or so companies in and around Copenhagen Airport. In summer 2020, CPH therefore joined with the unions, SAS, the Danish Ministry of Employment and Tårnby Municipality to open a job and advice centre at Copenhagen Airport, to assist those impacted by the crisis.



424

passengers on 9 April
– the low point of 2020



The five must-win battles of the crisis

The corona pandemic has put many of the activities of the Architects of the Future Airport strategy on hold. But the objective remains the same: to create a leading, future-proof, innovative airport. During the crisis, the whole organisation came together to fight five must-win battles:

- To ensure a safe, comfortable and positive travel experience for passengers
- To safeguard teamwork and motivation in the organisation
- To simplify working processes and reduce bureaucracy for the future
- To focus on lower expenditure and minimise costs
- To protect and develop our revenue streams

Fear of catching the virus while travelling complicated corona rules in every country, and the prospect of a long spell of quarantine kept 75% of passengers at home in 2020. CPH launched the "Let's travel with care" initiative and embraced everything from face masks, hand sanitiser, plexiglass, extra cleaning and distance markings in the terminals to extra security and service personnel guiding passengers through the airport.

We mothballed 40% of the terminal area and combined operations to give passengers



a better experience – and the airlines, ground handlers and authorities better working conditions in the airport.

Still investing in the future

Before the coronavirus hit, CPH was investing around DKK 2 billion annually in developing the airport. The whole investment programme was revisited, not least the numerous building projects. Some were put on hold, while others went ahead because it would have been too costly to stop them.

This was the case, for example, with the second phase of Pier E, marking the end of the single largest capacity project for decades. The new pier includes flexible stands and gates served by boarding bridges, flexible bus gates, taxiways, stands and a new passport control area. The spacious pier is adorned with William Soya's ceiling-installed sculpture donated by the Danish Arts Foundation and Kolding Municipality. The pier has proven invaluable in the safe handling of passengers during the pandemic.

Overall, in 2020 we reduced the cost of investments and building projects by around DKK 800 million.

But we still have our eye on the future. In October, CPH and Danish Netcompany founded the joint venture Smarter Airports A/S to develop a new, market-leading digital platform for efficient operation of the airports of the future. CPH and Netcompany will together invest up to DKK 200 million in the company. Once the solution has been incorporated in Copenhagen in 2021, the aim is to sell the system to airports all over the world and create a new revenue stream for CPH.

Collaboration with airlines and partners

There has been close contact and collaboration between CPH, the airlines and our partners throughout the corona crisis.

Before the crisis, 150 stores and food outlets were open in and around the terminals. At the end of the year, there were just nine. Throughout the year, CPH worked with our partners to get through the crisis as well as possible. Opening times were revised and new agreements negotiated with most partners. When the pandemic grounded aircrafts in the spring, the airport did not impose parking charges.

In the first quarter of 2021, CPH agreed with the airlines to focus on the restart and adjust the agreement for the period 2019-2023 on the charges paid to use the airport. The adjusted agreement addresses the unintended

consequences that COVID-19 has had for the assumptions underlying the charges agreement. This has created calm and balance for both CPH and the airlines up to and including 2023.

CPH co-founder of Green Fuels for Denmark

We do not yet know the full extent of the corona crisis or how long it will last. Aviation was one of the first sectors to be hit by the crisis and will be among the last to come out on the other side. Yet climate change is a challenge that we as businesses and as a society will have to deal with for many years to come, whatever the circumstances.

In 2020, we entered into several promising partnerships that will help to ensure the development of sustainable fuels in Denmark and the zero-emissions airport of the future. We announced the innovative Green Fuels for Denmark partnership, which also includes A.P. Møller - Mærsk, DSV Panalpina, DFDS, SAS, Nel, Everfuel, Haldor Topsøe and Ørsted.

As part of the Danish government's climate partnership with the aviation industry, we presented an ambitious plan to achieve significant CO₂ reductions as early as 2030. As a result, we can now see more clearly the route to zero-emissions aviation in 2050.

In October, a consortium led by Copenhagen Airport with 14 European partners and the Danish Technological Institute won an EU grant of close to EUR 12 million to create the sustainable airport of the future.

The ALIGHT project will develop solutions for airports to be able to operate without any carbon emissions and deliver infrastructure for carbon-neutral aircraft.

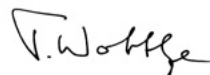
Europe's best airport

On 9 March 2020 – just a few days before Denmark locked down and closed its borders – passengers voted CPH “Europe's best airport 2019” in the annual international survey of passenger satisfaction conducted by ACI, the international trade organisation for airports.

We can still be Europe's best airport on the other side of the coronavirus pandemic when we are able to travel for business and leisure and experience the world again. CPH will still be a safe and efficient airport for customers and passengers, ensuring its position as a driver of economic growth and a hub connecting Denmark to the rest of the world.

We are well positioned for the road to recovery.

Best regards



Thomas Woldbye, CEO



Lars Nørby Johansen, Chairman



The Annual Report in five minutes

In 2020, Copenhagen Airports saw passenger numbers at 1970 levels. Despite two normal months, January and February, the annual number of passengers at CPH fell by 75% to a 50-year low.

167

avg. daily landings and take-offs in December
610 in December 2019

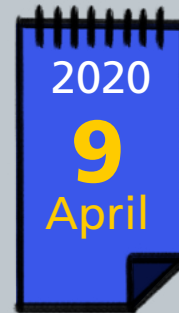
The corona year from 15 March

9,749

avg. passengers per day
82,895 in 2019

Quietest day

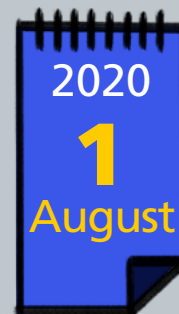
424 passengers



27,067 on 25 Dec. in 2019

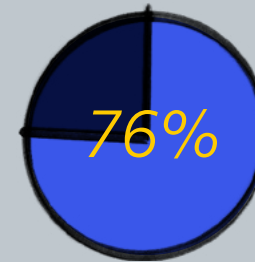
Busiest day

26,048 passengers

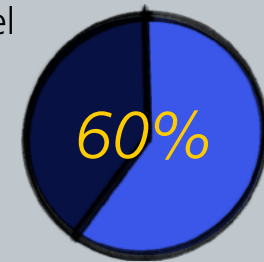


109,408 on 28 June in 2019

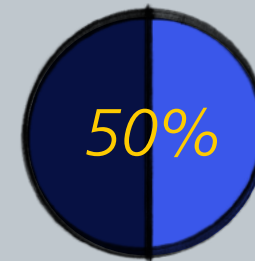
Barriers to travel



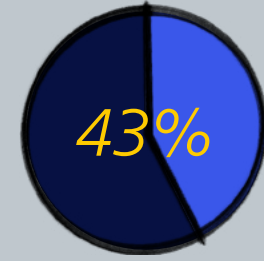
Will not travel if quarantine is required



For whom the COVID-19 infection pressure determines the destination



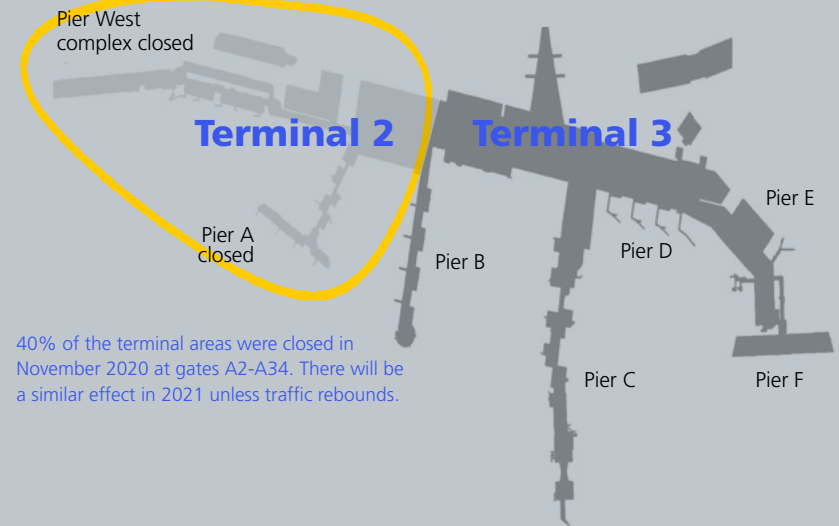
Will not travel until the COVID-19 health crisis is under control



For whom COVID-19's impact on personal finances is stopping travel plans

Source: Airports Council International (ACI) have surveyed 4,100 passengers worldwide.

Terminal areas temporarily closed



40% of the terminal areas were closed in November 2020 at gates A2-A34. There will be a similar effect in 2021 unless traffic rebounds.

Social & climate-related results



5.4

occupational injuries per million working hours

7.9 in 2019

The number of occupational injuries for CPH employees per million working hours fell to 5.4 from 7.9 in 2019. This result has been achieved in a year where CPH has had to continuously adjust and rapidly adapt our operations among other due to new and changing COVID-19 guidelines from the Danish authorities.

In the months of March, April and May, there were no occupational injuries among CPH employees. In total, the number of occupational injuries for CPH employees was 21 in 2020, down from 33 in 2019.



100%

carbon-neutral through initiatives and compensation

100% in 2019

In 2020, we upheld our ACA accreditation as a carbon-neutral airport. This means that the emissions over which CPH has control have remained carbon-neutral throughout the year. The accreditation was received in 2019 as the culmination of many years' climate and environmental work. The remaining emissions continue to be offset through a climate and development project in Laos.

Our ambition remains to achieve completely emission-free airport operations and ground transport at CPH in 2030 without offsetting. Worldwide, 62 airports have achieved a carbon neutrality accreditation under the Airport Carbon Accreditation scheme.



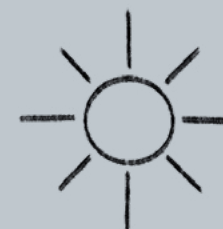
11.6

GWh of energy savings

5.0 in 2019

In 2020, our annual energy savings more than doubled relative to 2019.

Through two major energy-saving projects in particular, we were able to take a further important step towards our 2030 goal of emission-free airport operations and ground transport.



9,300

m² of solar panels

9,100 in 2019

We installed additional solar panels in 2020, securing our total solar power capacity of 1.8 MWp, which is equivalent to the annual electricity consumption of more than 400 households.

The electricity generated from our solar panels in 2020 covered 0.89% of CPH's total electricity consumption.

Financial performance

Revenue, DKK

1,575.7m

4,345.7m
in 2019

Revenue decreased by 63.7% to DKK 1,575.7 million (2019: DKK 4,345.7 million), primarily due to the COVID-19 pandemic, which has resulted in government shutdowns both in Denmark and the rest of the world, heavily affecting the ability and desire to travel the world.

Investments, DKK

1,435.4m

2,142.1m
in 2019

In 2020, investments totalled DKK 1,435.4 million. The level of investment is lower than in 2019, reflecting the increased uncertainty in global travel. However, through 2020 CPH maintained an investment level that will allow us to continue to provide a world-class airport experience for the benefit of passengers and airlines alike once global travel opens up again.

Pre-tax loss, DKK

828.2m

1,293.3m
in 2019

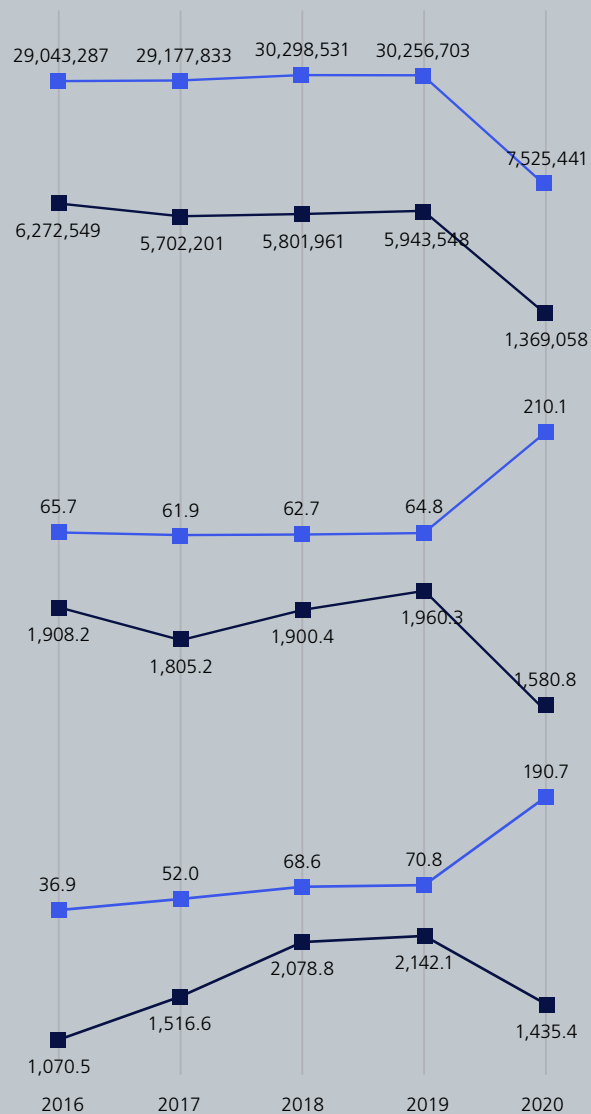
The pre-tax result for the year is a loss of DKK 828.2 million. The loss has been incurred as a result of the COVID-19 pandemic and the measures taken by governments to combat the disease, resulting in a steep reduction in global travel.

Key figures & financial highlights

PAX

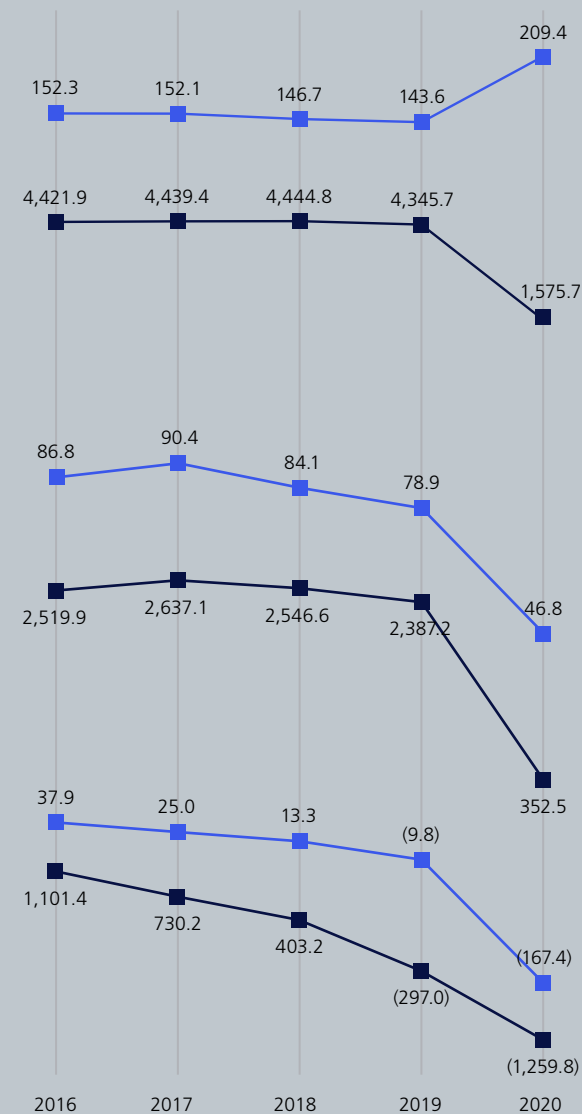
(Passengers)

- Passengers
- Transfer



Revenue

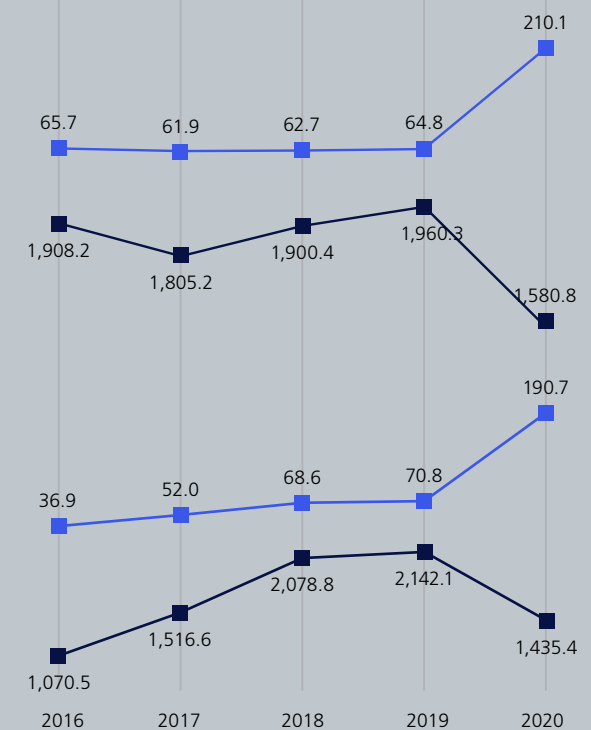
- Revenue/PAX (DKK/PAX)
- Revenue (DKKm)



OPEX

(Operating costs net of one-off items)

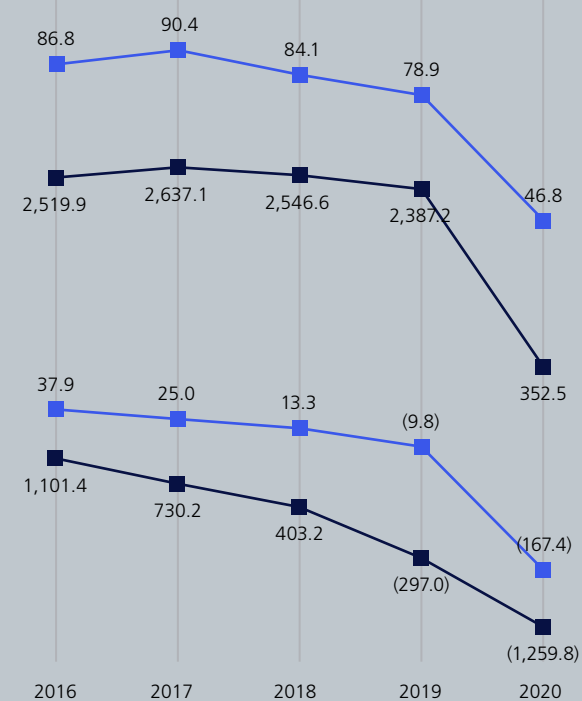
- OPEX/PAX (DKK/PAX)
- OPEX (DKKm)



EBITDA

(Net of one-off items)

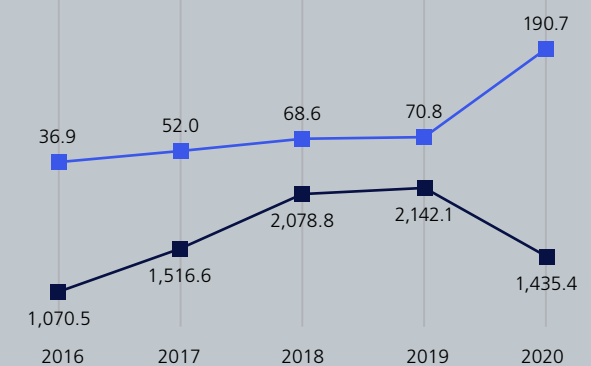
- EBITDA/PAX (DKK/PAX)
- EBITDA (DKKm)



CAPEX

(Investments in non-current assets)

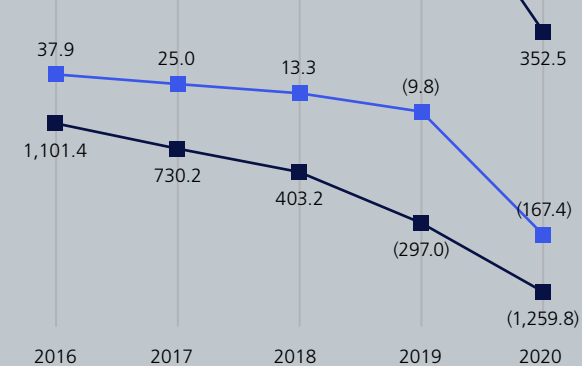
- CAPEX/PAX (DKK/PAX)
- CAPEX (DKKm)



FCF

(Free cash flow)

- FCF/PAX (DKK/PAX)
- FCF (DKKm)



Key figures & financial highlights

DKKm	2020	2019	2018	2017	2016
Income statement					
Revenue	1,576	4,346	4,445	4,439	4,422
aeronautical revenue	696	2,415	2,575	2,667	2,600
non-aeronautical revenue	880	1,931	1,870	1,772	1,822
EBITDA	201	2,370	2,512	2,611	2,505
aeronautical EBITDA	(478)	879	1,078	1,231	1,152
non-aeronautical EBITDA	679	1,491	1,434	1,380	1,353
EBIT	(715)	1,432	1,584	1,823	1,799
aeronautical EBIT	(1,175)	147	353	615	606
non-aeronautical EBIT	460	1,285	1,231	1,208	1,193
Net financing costs	113	139	167	187	179
Profit/(loss) before tax	(828)	1,293	1,417	1,636	1,620
Net Profit/(loss)	(638)	1,020	1,105	1,286	1,259
Statement of comprehensive income					
Other comprehensive income	39	68	42	23	(32)
Comprehensive income	(600)	1,088	1,147	1,308	1,227
Balance sheet					
Property, plant and equipment	13,556	12,995	11,726	10,584	9,800
Financial investments	137	196	86	7	340
Total assets	14,278	14,147	12,968	11,590	11,210
Equity	2,659	3,259	3,086	3,152	3,038
Interest-bearing debt	9,587	8,388	7,185	5,934	5,796
Capital investments	1,360	2,051	1,938	1,442	990
Investment in intangible assets	75	91	141	75	60

DKKm	2020	2019	2018	2017	2016
Cash flow statement					
Cash flow from operating activities	183	1,774	1,980	2,031	1,967
Cash flow from investing activities	(1,549)	(2,139)	(1,759)	(1,473)	(1,023)
Cash flow from financing activities	1,389	226	(74)	(623)	(949)
Cash at end of period	42	19	159	13	78
Key ratios					
EBITDA margin	12.8%	54.5%	56.5%	58.8%	56.6%
EBIT margin	(45.4%)	33.0%	35.6%	41.1%	40.7%
Asset turnover rate	0.11	0.33	0.37	0.40	0.42
Return on assets	(5.1%)	10.7%	13.0%	16.3%	17.0%
Return on equity	(21.6%)	32.2%	35.4%	41.5%	41.8%
Equity ratio	18.6%	23.0%	23.8%	27.2%	27.1%
Earnings per DKK 100 share	(81.3)	130.0	140.8	163.8	160.4
Cash earnings per DKK 100 share*	35.4	249.5	259.1	264.2	250.3
Net asset value per DKK 100 share	338.8	415.2	393.3	401.7	387.1
Dividend per DKK 100 share	-	30.3	140.8	163.8	160.4
NOPAT margin*	(35.0%)	26.0%	27.8%	32.3%	31.6%
Turnover rate of capital employed*	0.12	0.36	0.41	0.44	0.46
ROCE*	(5.5%)	11.9%	14.7%	18.1%	18.6%

The definitions of ratios are defined and calculated in accordance with the Danish Finance Society's online version of "Recommendations & Financial ratios" except for those marked with *, which are not defined in the recommendations. Definitions of ratios are listed in note 5.10.

CPH's hub status under pressure

CPH is a regulated private company that owns, operates and develops Copenhagen Airport and Roskilde Airport. The corona crisis presents a challenge to the airport's most important social mandate: to strengthen Denmark's connectivity to the world and promote sustainable travel. The significantly increased competition for routes and passengers in the wake of the corona crisis may challenge our position as northern Europe's most important transport hub.

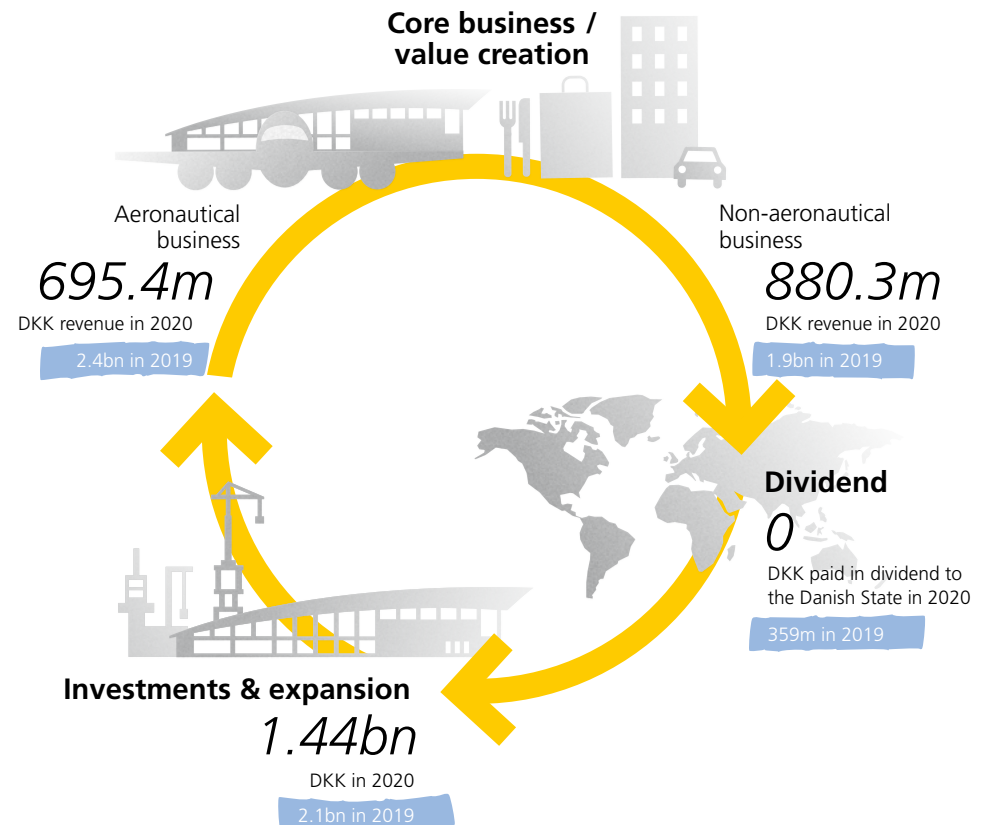
The coronavirus pandemic has triggered the worst crisis for aviation and Copenhagen Airports in living memory. The dramatic drop in flight operations and passengers is threatening both our business areas: aeronautical and non-aeronautical.

The aeronautical business comprises infrastructure and air traffic-related services – everything from route development, baggage systems and security checks to operation and development of technology, terminals, IT, shuttle buses, aircraft stands and runways.

The non-aeronautical business covers activities such as parking, restaurants and stores in the terminals, hotel operation and leasing of premises in the airport area.

Before the corona crisis hit, around 1,000 companies were operating within the airport's economic ecosystem, including airlines, builders, shops, restaurants, car rentals and the handling companies that take care of aeronautical processes from check-in and boarding to baggage and parked aircraft on the airlines' behalf.

The total value created by CPH's aeronautical and non-aeronautical businesses is essential to our ability to invest in developing the airport, strengthening Denmark's connectivity and safeguarding reasonable returns for CPH's shareholders, including the Danish State. But the coronavirus pandemic has turned profit to loss and increased our debt, which will limit our ability to invest for the foreseeable future.



Business framework

CPH is regulated in accordance with Danish and EU law. Where the aeronautical business is concerned, the airlines pay to use the aeronautical facilities, such as security, based on a commercially negotiated multi-year charges agreement. The current agreement runs until the end of 2023.

The charges negotiated are subject to approval by the Danish Transport, Construction and Housing Authority.

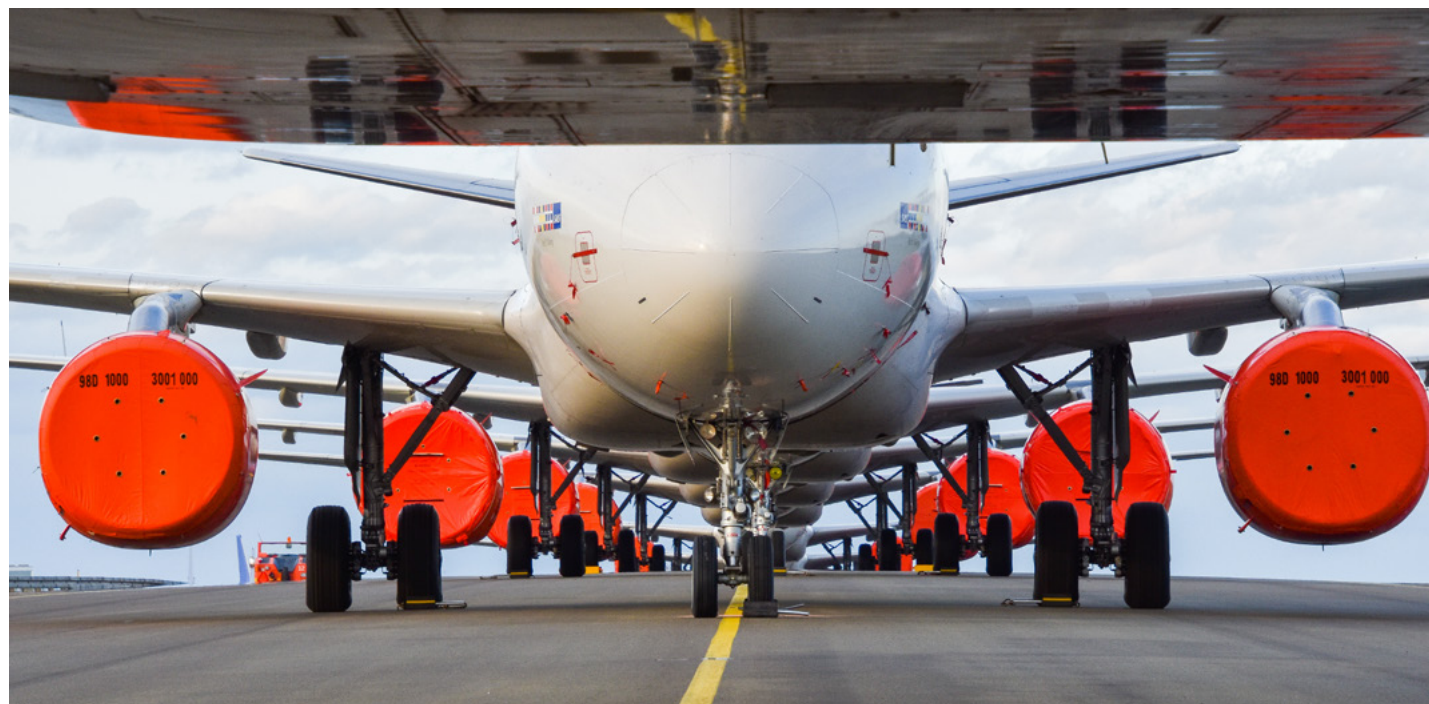
Naturally, the charges agreement process could not have envisaged the unprecedented drop in passenger numbers caused by the pandemic, which has brought about a situation where the fundamental principles and assumptions on which the agreement has been based are now detached from reality.

The same applies to a number of incentive agreements intended to strengthen the airlines' existing business and maintain CPH's position as Scandinavia's leading hub. The programmes did not take account of the industry effectively having to restart.

The latest (2017) revision of the charges regulations (BL9-15), which came into effect on 1 January 2018, provided for a midterm evaluation by 2021.

In 2020, CPH entered into dialogue with the airlines, and in the first quarter of 2021 agreed with them to focus on restarting the hub and to adjust the agreement for the period 2021-2023 on the charges paid to use the airport.

The adjusted agreement addresses the unintended consequences COVID-19 has had



for the assumptions underlying the charges agreement. The changes have rebalanced the agreement to the benefit of both CPH and the airlines up to and including 2023.

A highly competitive business environment

For many years, CPH has worked closely with airlines and other parties to develop a substantial route network in and out of Copenhagen. But the coronavirus pandemic has stopped international travel.

The competition to recover lost routes has increased the already tough competition in the aviation industry – between both airlines and airports. CPH is competing

with European airports such as Amsterdam, Brussels, Frankfurt, Zurich, Stockholm and the new Berlin airport to attract routes and airlines and win back those it has lost.

CPH therefore has to maintain the financial strength to continue investing in the sustainable airport of the future and offering the airlines efficient operations and close cooperation. CPH needs to be attractive for network carriers, long-haul operators to the US, Asia and Africa, and low-cost airlines serving destinations in Europe.

Sustainable travel

In the words of CPH's purpose: "Let's travel together to a better tomorrow."

This is CPH's call to join forces to create the industry of the future.

We do not yet know the full extent of the corona crisis or how long it will last. Aviation was one of the first sectors to be hit by the crisis and will be among the last to come out on the other side. Yet climate change is a challenge that we as businesses and as a society will have to deal with for many years to come, whatever the circumstances. Today, CPH has just as great a responsibility to make the transport sector sustainable as we did before the coronavirus pandemic struck.

We are still Architects of the Future Airport

In 2019, the new strategy for Copenhagen Airports was launched under the name "Architects of the Future Airport". The corona pandemic has put many of the strategy's activities on hold until aviation emerges on the other side of the crisis. But the objectives remain the same: to create a future-proof, innovative airport.

The strategy Architects of the Future Airport takes its starting point in CPH's social mission: to bring the world closer to Denmark with direct routes and to sustainably transform aviation. This mission has not changed.

The strategy is based on three main principles: customer focus, innovation and simplification. These principles tie together the six focus areas, our take-offs. Many of the activities in the take-offs are temporarily on hold while we focus on creating a safe journey through the

airport for passengers and on working with the airlines to re-establish the route network.

As an extension of the new business strategy, in May 2020 CPH implemented a comprehensive reorganisation that reflects the strategic strands of the business strategy – all this despite the corona crisis. Clear roles and responsibilities will ensure that the organisation is able to efficiently and more easily execute on the strategic focus areas that will guide CPH's business in the coming years.



Take-off 1

Expand our positive role in society and contribute to sustainable travel

CPH wants to be a valued neighbour and fulfil our role in society as the international airport for all of Denmark. CPH will take responsibility for a sustainable transformation of the airport.



Take-off 2

Take the passenger journey and retail experience to the next level

CPH will ensure that passengers have the best possible experience at Copenhagen Airport, incorporating new services and digital solutions. In 2020, there was increased focus on safety and health.



Take-off 3

Build CPH for the next generation

Many investments have been put on hold. However, we have kick-started the political process around new legislation that will create the platform for the continued development of the airport. With support from the airlines, we want to shift the airport's third runway – the so-called cross-wind runway – eastwards. This will make it possible to remodel the airport with all facilities under one roof and create space for future modern aircraft types, which are more fuel-efficient and less noisy.



Take-off 4

Develop the skills and organisation of the future

Given the low number of passengers and significantly reduced activity level, the corona crisis has provided CPH with the opportunity to use this "down time" to further train and upskill the majority of our employees, improving existing skills and developing new skills for the jobs of the future.



Take-off 5

Create a digital and data-driven airport

Intelligent and innovative use of data and digital solutions is vital for us to be able to run an attractive and efficient airport. This work is ongoing, including in relation to take-off 6.



Take-off 6

Build new revenue streams based on our core strengths

CPH wants to develop new sources of income to secure the resources required to drive the transformation of the airport. The corona crisis has made it even more important to develop new business areas. CPH and Netcompany have founded the joint venture Smarter Airports A/S, which will develop a new, market-leading digital platform for efficient operation of the airports of the future. Once the solution has been incorporated in Copenhagen, the aim is to sell the system to airports around the world.

Outlook for 2021

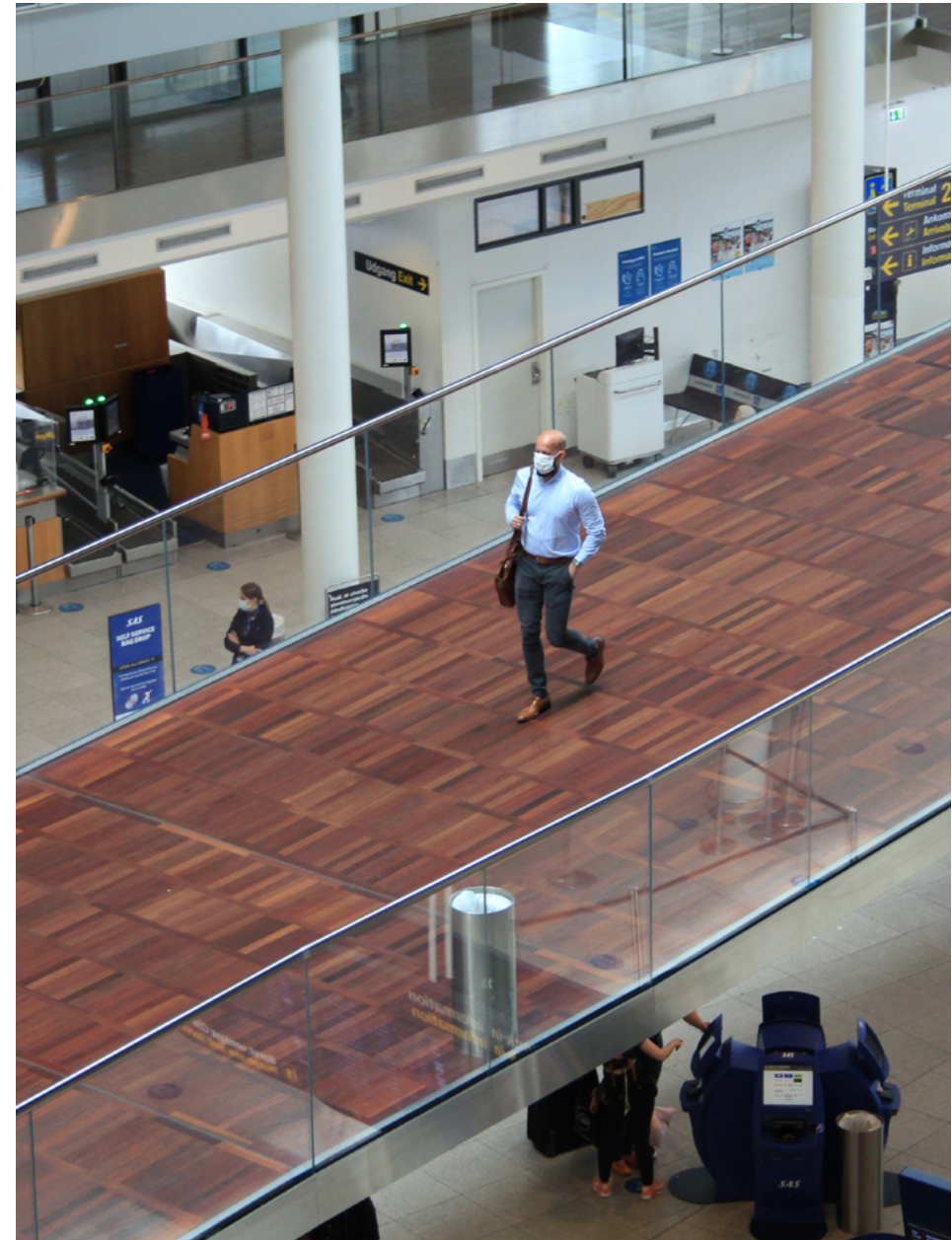
Global aviation continues to face significant uncertainty from the ongoing COVID-19 pandemic as well as other factors such as economic uncertainty and climate change.

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 for CPH. There is still significant uncertainty as to how and when travel restrictions will be lifted, and it is not therefore 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.





Hand sanitiser
dispensers in
the airport

500

Performance

Let's travel with care...

Fear of catching the virus while travelling, confusing and conflicting coronavirus rules in every country, ever-changing travel restrictions and the prospect of a long spell of quarantine kept 75% of passengers at home in 2020. CPH launched the "Let's travel with care" initiative.

When the corona crisis hit in March, the number of passengers nosedived from 83,000 on a normal day to a low point of just 424 on 9 April. In just a few weeks, the aviation industry was brought to its knees, and efforts to make air travel easy and predictable for passengers were set back decades.

Restoring simple and predictable parameters for a safe journey through the airport was to be a big challenge in 2020.

Over the course of the spring and summer, and guided by the slogan "Let's travel with care", the airport embraced everything from face masks, hand sanitiser, plexiglass, extra cleaning and distance markings in the terminals to extra security and service personnel guiding passengers through the terminals, not to mention an extensive campaign on our website and social media.

Passengers felt safe – and were a little sad

The dramatic reduction in passenger numbers meant that CPH was not able to carry out the usual extensive surveys of passenger behaviour and satisfaction in 2020. However, random samples of passengers surveyed during the year point to a high level of satisfaction and confidence in the many corona measures that were put in place.

The surveys also show that business travellers still accounted for slightly more than one third of passengers. However, the remainder were not holidaymakers, as was the case before the corona crisis: most non-business travellers were Danes and foreigners making important family visits.

At the same time, passengers said they were sad to see the terminals so empty. Before the crisis, there were 150 stores and food outlets; by the end of the year, there were just nine.

The new reality of very few passengers and flights meant that in November CPH closed 40% of the terminal area (gates A2-A34).

Also in November, Airline Council International (ACI) published a global survey of 4,100 passengers. One of the survey's findings was that three in four people viewed the differing quarantine rules around the world as the biggest obstacle to travel.

A survey of 1,100 Danes was carried out in the autumn. Half of those questioned cited two particular reasons for not travelling: uncertainty about coronavirus rules and concerns about catching the virus on the journey.

The future of travel is touchless

The coronavirus situation has also increased the digital focus in terms of how CPH can become even better at making passengers' smartphones, tablets and laptops a natural part of the journey.

The same applies to developing digital touchless solutions in the airport, which can further minimise the risk of infection and improve the passenger experience. To start with, a touchless solution is being trialled on the self-service CUSS kiosks for check-in and self-service bag drop.

Experience with self-service bag drop and check-in from home, for example, shows that passengers are very happy to be able to manage their journey and time spend themselves.

Interest in travel remained high

Despite everything, the dream of being able to travel freely again for business and leisure stayed alive in 2020 – not least on the airport's Facebook page, which saw a high level



Europe's most disability-friendly airport

In November 2020, industry organisation ACI named CPH Europe's most disability-friendly and accessible airport.

One of CPH's innovations in 2020 was the Sunflower lanyard, which is available to passengers with special needs and hidden disabilities to show that they need a little extra help or time. The initiative has since been extended to all Denmark's major airports.

Another new feature is assistance for persons with reduced mobility (PRM) in the form of custom-made two-person bicycles. This is a less energy-consuming form of transportation that also gives PRMs a unique travel experience while getting a feel for the Danish bicycle culture.

of engagement from its 185,000 followers. Posts on practical corona-related information and the monthly flight and passenger figures were read most frequently.

During the corona crisis, 23-35% of CPH's Facebook followers have viewed its posts,

up slightly on 2019. Generally, only around 5% of Facebook followers view posts.

A new normal of testing

On 15 June, Capital Region of Denmark opened a COVID-19 test centre at the airport – initially on the airport plaza and, since July, in one of the parking areas adjacent to the Metro. Later in the year, Falck was able to offer passengers rapid antigen and PCR tests in the airport. In just a few months, face masks, hand sanitiser and frequent testing almost became a natural part of what remains of travel.

Throughout the autumn, CPH worked on a common European corona passport to restore confidence among passengers and ensure that air travel does not spread infection from one country to another.

Light at end of the tunnel

Aviation was one of the first sectors to be hit by the corona crisis and will be among the last to come out on the other side. When we do, it will be important to build on our strong points to regain our position.

On 9 March 2020 – a few days before Denmark locked down and closed its borders – passengers voted CPH “Europe’s best airport 2019” in the annual international survey of passenger satisfaction conducted by ACI, the international trade organisation for airports.

We can be this again on the other side of the coronavirus pandemic, when people in Denmark and around the world are vaccinated so we can get back to a more normal reality in 2021 – one that once again allows us to travel and experience. Despite everything, there is light at the end of the corona tunnel.

Safe journey measures at Copenhagen Airport

The corona year from 15 March

9,749

avg. passengers per day

82,895 in 2019

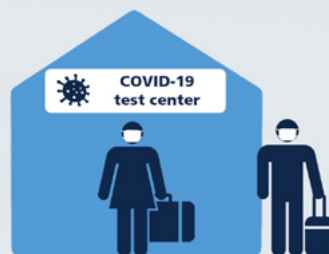


6,500

distance markers on seating



250 health advice reminders on digital screens



Test options incl. quick tests for arriving and departing passengers

Speaker announcements in terminals every 10 minutes



Service team available and ready to help

24-7



All persons aged six and older must wear a face covering while inside the terminal buildings. All CPH employees wear visors



500

hand sanitiser dispensers at key points in the terminal buildings

22.7m

fewer passengers compared to 2019

Reasons not to travel

■ Week 33
■ Week 30
■ Weeks 27/28

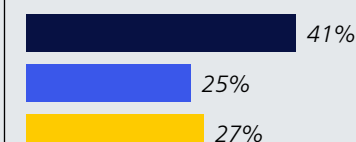
Danger of infection in another country



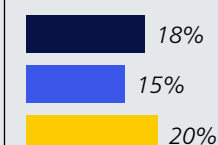
Danger of infection at airport/in plane



Uncertainly about COVID-19 regulations



Environmental concerns



Source: “Danes’ view on travel” by Wilke.

Passenger numbers at 1970 levels in 2020

In 2020, Copenhagen Airports saw passenger numbers at 1970 levels. With just two normal months, January and February, the annual number of passengers at CPH fell by 75% to a 50-year low. During the coronavirus period, departures and arrivals per day shrank from 720 to just 170 in December. CPH's aeronautical revenue fell by 71.2% to DKK 695.4 million. Now CPH is preparing to rebuild the route network and restore earnings.

The authorities' approval of the first COVID-19 vaccine and the subsequent launch of the national vaccination programme on 27 December were without doubt the best news in a year with a tsunami of bad news for aviation and Copenhagen Airports.

In 2020, the aeronautical segment of the business went into near free fall. Not since 1970 have so few passengers passed through the terminals at Copenhagen Airport. Back then, the number was 6.8 million; in 2020, it was 7.5 million, a staggering 22.7 million fewer than the year before.

Revenue fell by 71.2% to DKK 695.4 million. This was the main reason why Copenhagen

Airports A/S ended the year with an overall pre-tax loss of DKK 828 million, which is within the expectation communicated on 12 November 2020.

Normally, there are around 720 take-offs and landings every day at CPH. During the corona crisis, from mid-March through to December, the average daily number fell to 170 in December, and on those flights the number of seats sold fell to around 40%.

Nevertheless, the new vaccines brought hope that things would change and that the world would slowly reopen to air travel around the summer of 2021.

Emergency flights and 9 April

In the first hectic weeks following the closure of Denmark's borders on 14 March, the focus was on special flights carrying personal protective equipment (PPE) and emergency flights repatriating thousands of Danes stranded all over the world.

Despite the lockdown, CPH quickly re-established parts of the network, including the majority of domestic routes and the international routes to Greenland, the Faroe Islands and a number of major European destinations.

The low point for the airport was 9 April, when we had just 424 passengers, compared to the usual 83,000 per day. After this, things were very quiet up to 25 June, which saw the introduction of a new model for travel guidelines that allowed journeys to countries with low infection (up to 30 new weekly cases per 100,000 people).

In July, the new travel guidelines brought a certain amount of optimism and joy of travel, with an average of 18,000 passengers passing through the terminals every day. This was significantly more than in the previous month, though still far fewer than in July 2019, when there were 100,000 passengers daily.

In the late autumn, a second wave of COVID-19 hit and the world went back into red and orange in the authorities' travel guidelines. On Thursday 29 October, Greece and Norway were the last countries to be declared orange and once again the advice was to avoid all non-essential travel to anywhere in the world.

Smaller decline for domestic traffic

The international aviation crisis badly affected the whole of Europe, with a decline in

7.5

million passengers in 2020;
30.3 million in 2019

Denmark of 75%. Air traffic between countries was hit hardest, while in many countries domestic traffic fared slightly better.

CPH is traditionally an international airport with lots of connections to Europe and the rest of the world. Domestic traffic, by contrast, is less prominent given Denmark's small size. All the same, as the world shut down, the domestic share of all traffic increased from 5% at the start of the crisis to 17% in December.

While the number of passengers in Europe and on long-haul routes fell by 76% and 77% respectively, CPH lost 59% of passengers on its domestic routes in 2020.

The top 10 of destinations underwent a real shake-up during the year of coronavirus. For many years, London had clearly been the most popular destination out of Copenhagen. However, as the pandemic worsened during the autumn and the highly contagious British coronavirus variant spread across the world, traffic to the British capital shrank. In December, London dropped to sixth place on the list, surpassed by, among others, Danish destinations such as Aalborg and Rønne.

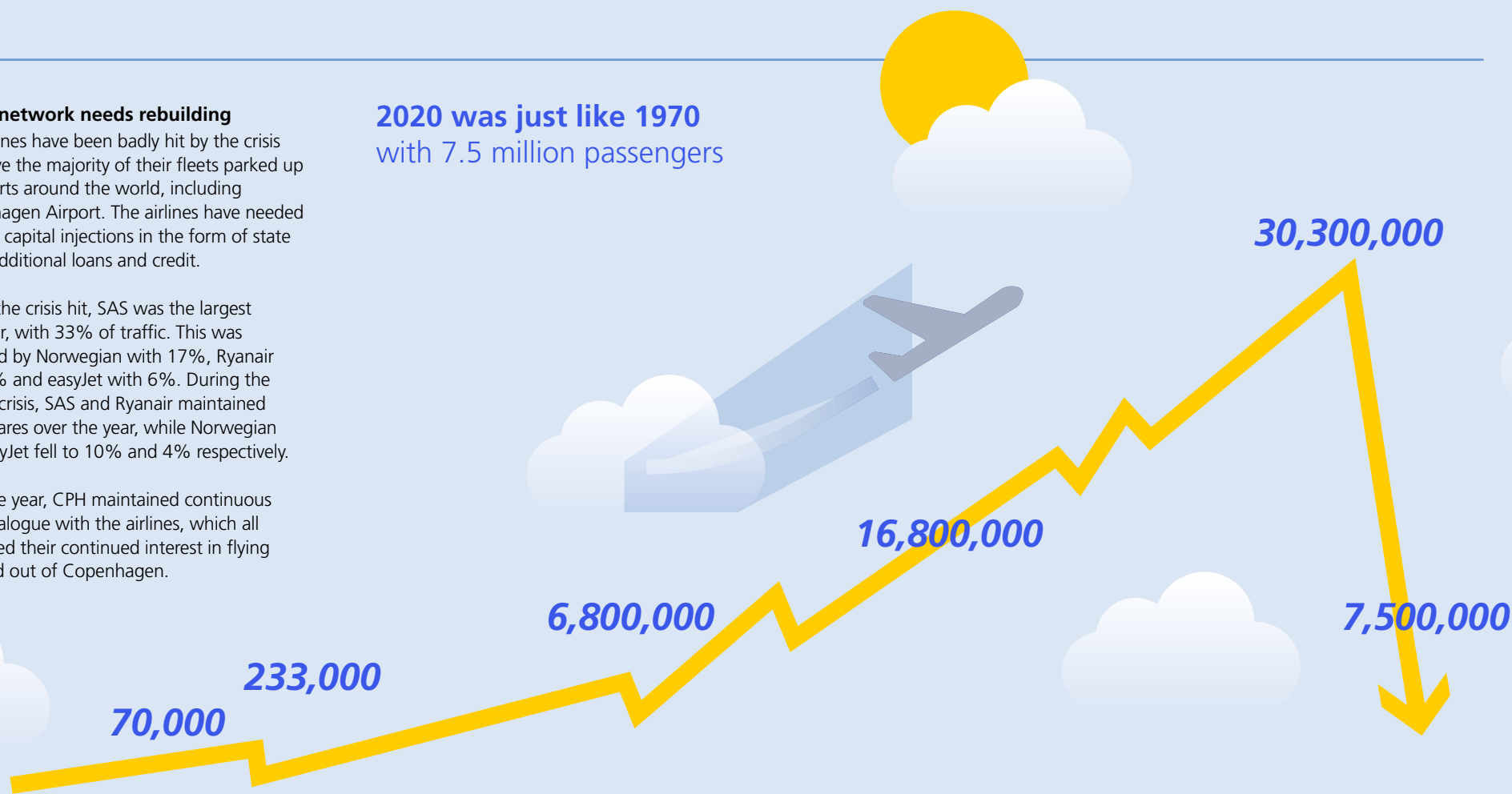
Route network needs rebuilding

The airlines have been badly hit by the crisis and have the majority of their fleets parked up at airports around the world, including Copenhagen Airport. The airlines have needed massive capital injections in the form of state aid or additional loans and credit.

Before the crisis hit, SAS was the largest operator, with 33% of traffic. This was followed by Norwegian with 17%, Ryanair with 8% and easyJet with 6%. During the corona crisis, SAS and Ryanair maintained their shares over the year, while Norwegian and easyJet fell to 10% and 4% respectively.

Over the year, CPH maintained continuous close dialogue with the airlines, which all expressed their continued interest in flying into and out of Copenhagen.

2020 was just like 1970 with 7.5 million passengers



1925	1939	1946	1960	1970s	1980s	1998	2000s	2019	2020
It all begins in Amager with a wooden building, a lawn and 2,100 passengers.	Opening of the first terminal, designed by Vilhelm Lauritzen. 70,000 passengers.	The airport is intact following the war. Passenger numbers already up to 233,000.	The jet age begins and King Frederik opens Terminal 2. 1.8 million passengers.	Charter flights mean travel for all. 6.8 million passengers in 1970.	Growth stalls for a few years during the 1980s slump, but the decade ends with strong growth.	16.8 million passengers after the opening of Terminal 3. Low-cost operators enter the market.	The 9/11 terror attacks and the financial crisis only bring a temporary halt to growth. 20 million passengers.	30.3 million passengers on 188 direct routes to and from CPH.	Worst year since 1970. Only 7.5 million passengers, a fall of 22.8 million.

Fierce competition expected

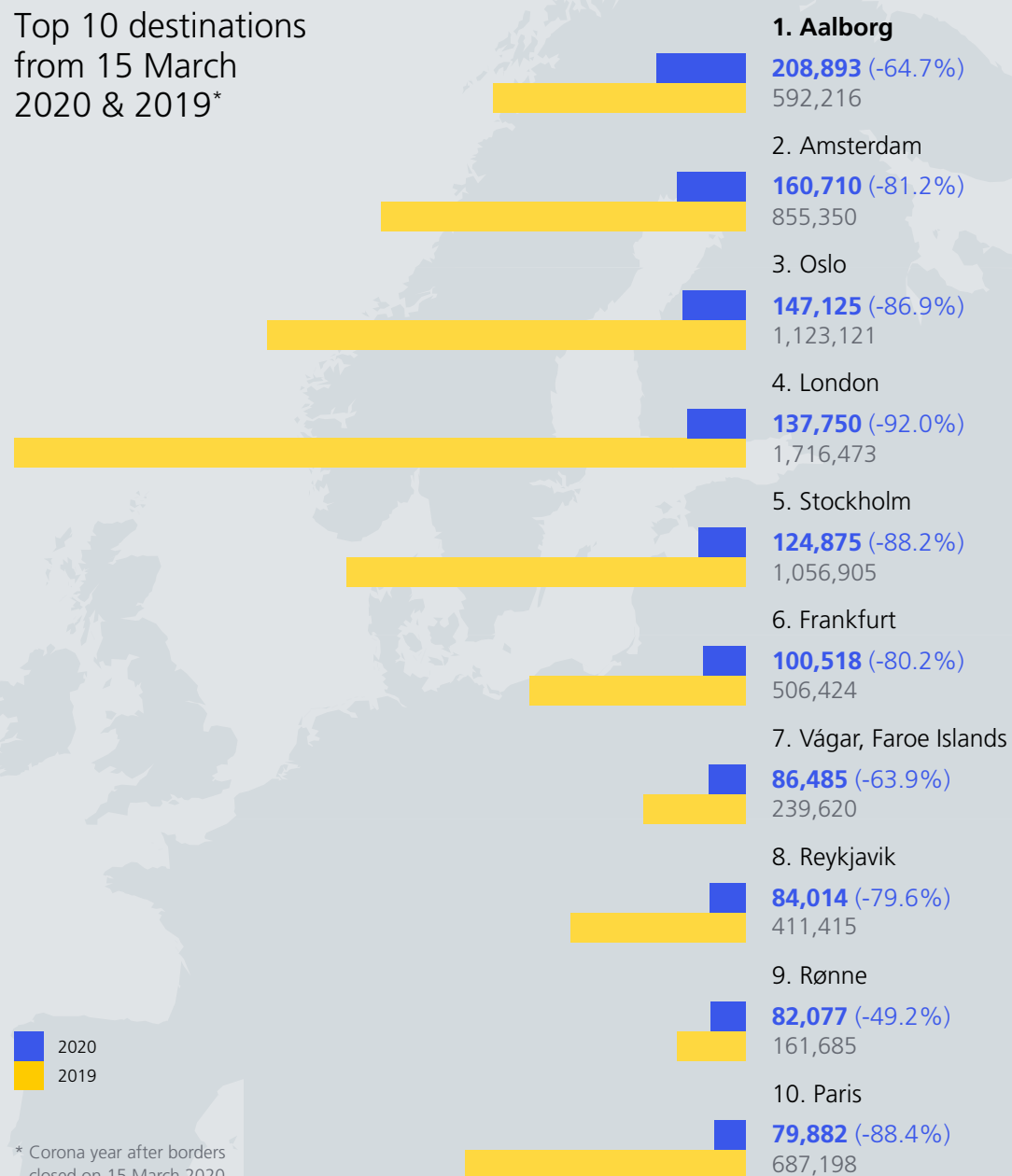
As the world gradually opens up again in 2021, it is expected that there will be fierce competition between countries and airports to attract airlines and re-establish route networks.

The combination of short-haul northern European routes and long-haul intercontinental routes is vital for strengthening CPH's position as a traffic hub. This gives more northern European travellers the option to fly via Copenhagen Airport and out into the world – rather than flying via other hubs such as Amsterdam, Frankfurt and London.

Re-establishing the route network, and retaining and protecting our position, will be among our most important priorities in 2021.

DKKm	2020	2019	Change	Change %
Financial performance				
Revenue	695.4	2,415.2	(1,719.8)	(71.2%)
Operating profit/(loss) (EBIT)	(1,174.8)	146.8	(1,321.6)	-
Segment assets	10,065.0	9,971.9	93.1	0.9%
Revenue				
Passenger charges	282.4	1,113.6	(831.2)	(74.6%)
Security charges	151.5	613.2	(461.7)	(75.3%)
Handling	50.7	191.8	(141.1)	(73.6%)
CUTE charges	6.0	25.5	(19.5)	(76.3%)
Take-off charges	170.8	432.0	(261.2)	(60.5%)
Aircraft parking, etc.	34.0	39.1	(5.1)	(12.7%)
Total	695.4	2,415.2	(1,719.8)	(71.2%)

Top 10 destinations from 15 March 2020 & 2019*



A very busy year at Roskilde

Traffic at Roskilde Airport (RKE) was not hit as hard by COVID-19. The number of operations increased by around 14%, driven by pilot training and private flights. RKE maintained its position as Denmark's preferred training venue for pilots, with around 35,000 training flights a year.

Roskilde Airport is a small exclusive "general aviation" airport, with an attractive location near Copenhagen. Around 2,000 private business jets use RKE every year – though there were significantly fewer during the COVID-19 pandemic.

The airport was once again recognised for its handling of business aviation by European Business Air News in its reader survey covering more than 400 fixed-base operators in Europe, Africa, the Middle East and Russia.

In addition to its flight-related personal service to customers, Roskilde also offers conference facilities and has been the setting for various events, including film recordings.

At RKE, the engine maintenance company DAO has a test cell for testing large aircraft engines. This is helping to limit noise. RKE has also converted the runway lighting on both landing runways to LED energy-efficient lights.

14%

increase in operations,
driven by pilot training
and private flights

Crucial air cargo operations continued

Air carriage of personal protective equipment (PPE) and test kits was vital in the first month of the corona crisis. On 8 April, one of the world's largest cargo airplanes, the near 70-metre-long Antonov AN-124, touched down in Kastrup. It was chartered by Maersk and Danish Regions to fly PPE to Denmark.

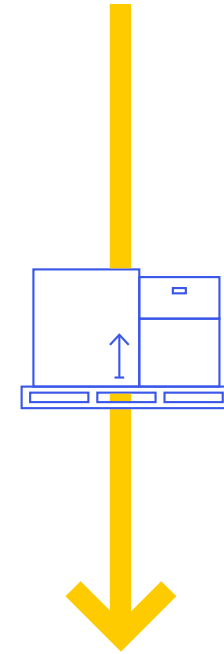
It is essential that Denmark can keep its exports going and continue to trade with the rest of the world. Throughout 2020, air cargo operated at a stable, albeit lower level. The volume of air cargo fell by 35% to 223,243 tonnes.



Cargo included exports of pharmaceutical products, semi-manufactured products and foodstuffs to most of the world, while in the first half of the year especially Denmark imported large volumes of PPE.

Normally, as much as 80% of the cargo capacity is belly cargo on the large inter-continental passenger aircraft flying long-haul routes. But as the majority of passenger routes were closed or significantly less frequently flown, a new type of cargo aircraft emerged, "Freighters". These are passenger aircraft that solely or primarily carry air cargo and only a few passengers.

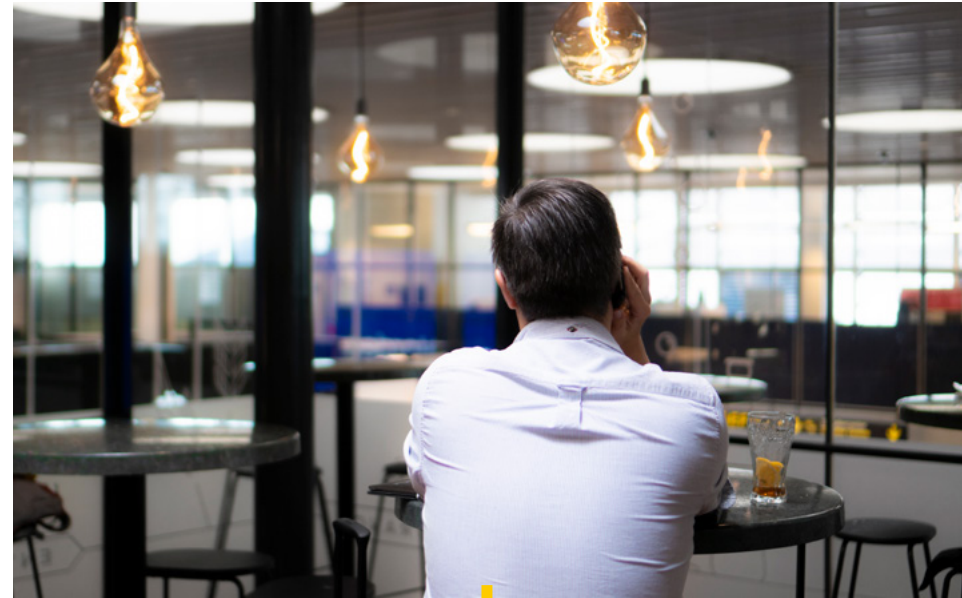
The volume of
air cargo only fell from
**345,296
tonnes**



**223,243
tonnes**

Empty terminals and car parks during the crisis

The corona crisis severely affected non-aeronautical business, which includes leasing of shops and restaurants, leasing of premises, parking and hotel operation. Many companies either cut back on staff or closed. For CPH, this meant a decline of 54.4% in non-aeronautical revenue, which is essential to our ability to invest and develop the airport. A plan is in place for flexible reopening.



9

shops and food outlets open in December versus 150 before coronavirus

Revenue from the non-aeronautical segment of the business is essential to Copenhagen Airport's finances and ability to invest and develop the future airport.

The charges that the airlines pay for using the airport make up around 60% of total revenue, but only around 20% of earnings (at EBIT level). Thus, the non-aeronautical segment of the business, including the

shopping centre, parking and leasing, accounts for around 80% of profits.

Pressure on the commercial segment of the business is challenging CPH's position as a hub, as there is a lack of money for investment and development.

Flexible reopening of the shopping centre
Before the corona crisis really hit Denmark in

March, there were 150 stores, kiosks, food outlets and restaurants in operation. In spring, just four stayed open offering food and drink to passengers. At the turn of the year, 9 were open.

Throughout the year, CPH worked with its partners to get through the crisis as well as possible. Opening times were revised and new agreements negotiated with most

partners. But not all will be returning when flights are restored and passengers start filling the terminals and car parks once again.

In collaboration with our partners, we are working with a flexible plan to ensure that shops and food outlets that open – whether existing or new – are of the right type and in the right number for the customers in the terminals.

Parking, hotel operation and leasing

In addition to the shopping centre, non-aeronautical revenue is also generated by parking, leasing of premises and land, and hotel operation. Here, too, the corona crisis had a big impact.

Fewer passengers meant correspondingly fewer people parking, hence revenue from the airport's more than 10,000 parking spaces fell by 67.2%, from DKK 403.9 million to DKK 132.6 million.

As many partners operating at Copenhagen Airport experienced dwindling business, the need to rent offices/facilities at CPH was also reduced. However, lease revenue was on a par with the year before: DKK 181.3 million.

The hotel business was also affected by corona in 2020, with international tourists few and far between. In 2017, CPH joined with Strawberry Fields A/S to develop a new Comfort Airport Hotel and a conference centre shared with the neighbouring Clarion Hotel. The new complex, offering a total of 1,000 rooms, will open in 2021. The year ended with an overall 54.4% decline in non-aeronautical revenue to DKK 880.3 million.

DKKm	2020	2019	Change	Change %
Financial performance				
Revenue	880.3	1,930.5	(1,050.2)	(54.4%)
Operating profit (EBIT)	460.1	1,285.2	(825.1)	(64.2%)
Segment assets	4,034.7	3,958.1	76.6	1.9%
Investments in associates	75.0	0.4	74.6	-
Concession revenue				
Shopping centre	341.5	917.3	(575.8)	(62.8%)
Parking	132.6	403.9	(271.3)	(67.2%)
Other revenue	33.7	71.2	(37.5)	(52.6%)
Total	507.8	1,392.4	(884.6)	(63.5%)
Rental income				
Rent from premises	124.5	125.8	(1.3)	(1.0%)
Rent from land	51.4	50.3	1.1	2.3%
Other rent	5.4	5.4	-	-
Total	181.3	181.5	(0.2)	(0.1%)
Sale of services, etc.				
Hotel operation	58.1	66.4	(8.3)	(12.5%)
Other ¹	133.1	290.2	(157.1)	(54.1%)
Total	191.2	356.6	(165.4)	(46.4%)

¹ Other revenue primarily includes revenue from persons with reduced mobility (PRM), revenue from taxi management services (TMS) and energy. PRM, TMS and energy are non-profit sources of revenue for CPH.

CPH International in 2020

Copenhagen Airports International A/S (CAI) is a 100% owned subsidiary of CPH providing advisory and management services to airports and airport investors.

During 2020, CPH International was active with clients in Mexico, Colombia and Turkey. In addition, CPH International provided resources to the Smarter Airports A/S joint venture launched in October.

However, the COVID-19 situation significantly affected CPH International's business due to the reduction and postponement of projects and activities by its client airports. Consequently, the CPH International organisation was downsized to reflect the adverse market situation.

Investments reduced by DKK 800 million

Prior to the corona crisis, CPH was investing more than DKK 2 billion annually in developing the airport. Many projects are now on hold or postponed. In 2020, planned investments were reduced by around DKK 800 million. The aim is still to be one of the world's most efficient, sustainable and service-oriented airports.

Significantly lower investment, around DKK 800 million, is planned for 2021. The investment resources for 2020 and 2021 have been allocated to the most essential projects, especially within the priority areas of safety, security and compliance.

Several projects have been postponed, while a few selected large projects are proceeding with revised timeframes because the cost of stopping them would be too high. In some cases, the construction period will instead extend over a longer period.

This means that the planned 66,000 m² expansion of baggage reclaim and the terminal area airside will be phased over several years.

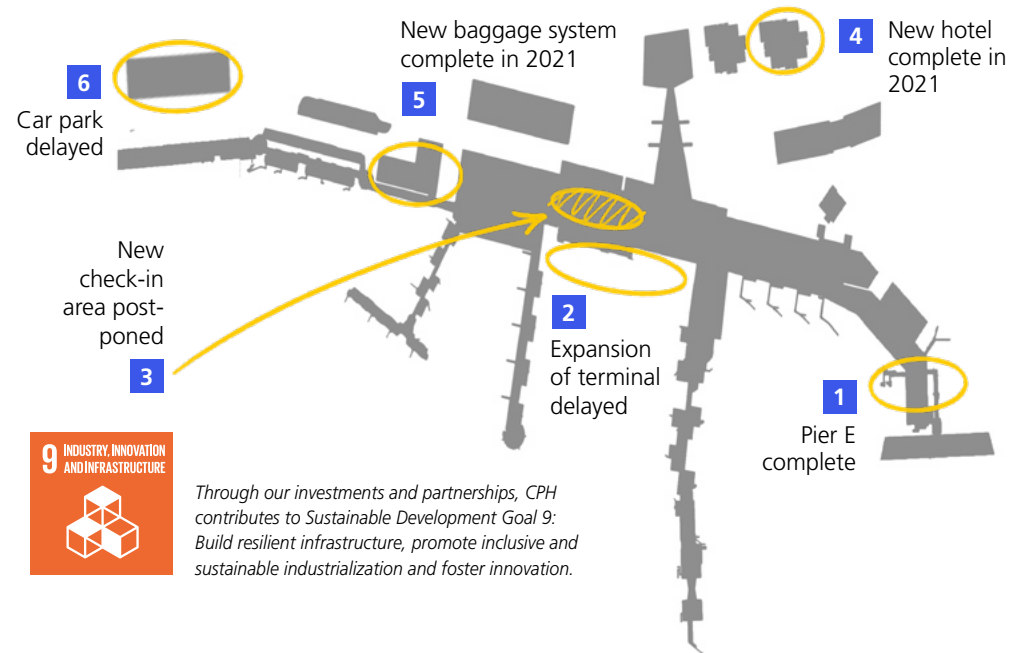
The airport of the future still has wings
We are anticipating that passengers will return on a growth path following the corona crisis. We are therefore continuing to work on planning the future airport.

The flexible development of CPH will be implemented within the framework of our climate strategy, maintaining CPH as an efficient airport for our customers and passengers, and securing our position as a driver of economic growth and a hub connecting Denmark to the rest of the world.

The authorities are currently processing our application for new legislation to be enacted for the continued development of the airport. With support from the airlines, we want to relocate the airport's third runway – the so-called crosswind runway – meaning that aircrafts using this runway will no longer be flying in and out over the residential areas west of the airport.

The changes to the crosswind runway will create space to further develop the airport with all facilities under one roof – close to public transport – and provide more space for future modern aircraft types, which are more fuel-efficient and less noisy.

- 1 Phase 2 of Pier E**
The final 10,000 m² of a total of 38,000 m² were completed in October. The inauguration of the second phase of Pier E marked the end of the single largest capacity project for many decades. The new pier includes flexible stands and gates served by boarding bridges, flexible bus gates, taxiways, stands and a new passport control. The spacious pier is adorned by William Soya's ceiling-installed sculpture donated by the Danish Arts Foundation and Kolding Municipality.
- 2 Terminal 3 expansion**
The project, involving an additional 66,000 m² for passengers, passport control, logistics and baggage reclaim, is an extension after the central security check. The construction will be phased, and the timeframe for the first development stage has been extended from 2024 to 2027 as a consequence of the corona crisis.
- 3 New check-in area**
The project, involving new check-in counters and baggage drop, has been put on hold.
- 4 New hotel**
In 2017, CPH joined with Strawberry Fields A/S to develop a new Comfort Airport Hotel and a conference centre shared with the neighbouring Clarion Hotel. The new complex, offering a total of 1,000 rooms, will open in 2021.
- 5 New baggage-handling facility**
The installation of new 3D scanners for outbound baggage was completed in 2020. The construction of a new facility for outbound baggage will be complete in summer 2021. The facade of the 10,000 m² building is in recycled aluminium to reduce the carbon footprint.
- 6 Car park**
Once the shell for the 2,330-space car park for employees and passengers has been built, the project will be postponed for completion in 2022.



Crisis management and focus on sustainable transition

The COVID-19 pandemic cast a shadow over CPH and the aviation industry in 2020. Our corporate responsibility (CR) efforts put extra focus on the staff affected, employees in the many airport businesses and the local community. CPH also maintained focus on the climate in a year that offered strong partnerships, pointing towards a sustainable future.

Copenhagen Airport has an obligation to handle air traffic at all times, even amid a global pandemic and severe economic crisis.

Our primary focus has been on safeguarding operations and simultaneously ensuring CPH remains a safe, infection-free airport and a good place to work.

To protect as many jobs as possible for as long as possible, we utilised the financial support packages agreed by the government, parliament and labour market parties in the spring

of 2020. This made a big difference and gave us breathing space to take the right decisions.

But the expectation that the world would open a little over the summer unfortunately was significantly below expectations. Credit facilities were secured and CPH continued to operate even when spending double-digit millions of kroner every month throughout the year.

As the government financial support packages expired and the airport's economic crisis worsened, we were forced to reduce the

number of full-time employees by a total of 772 out of 2,617 and find cost savings of equivalent to 280 jobs through division of labour, competence development and solidary schemes, corresponding to annual savings of approximately DKK 500 million.

Upholding our climate goals

The aviation industry remains under pressure – both globally and in Denmark. The future is uncertain and difficult to predict. One thing that has not changed is the need to adapt our sector in the light of climate change, which is why CPH is upholding the climate strategy and targets we set in 2019.

In 2020, we entered into several promising partnerships that will help to ensure the development of sustainable fuels in Denmark and the zero-emissions airport of the future. As part of the Danish government's climate partnership with the aviation industry, we presented an ambitious plan to achieve significant CO₂ reductions as early as 2030. As a result, we can now see more clearly the route to zero-emissions aviation in 2050.

Let's travel together to a better tomorrow

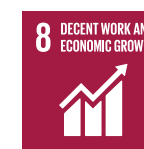
CPH's purpose and vision to be the Architects of the Future Airport also involves being aware of how the company can contribute solutions to the biggest global challenges.

Therefore, back in 2018, we started working with the UN Sustainable Development Goals (SDGs), drawing up – based on our CR strategy – a gross list of the goals we work with at CPH.

We matched our CR initiatives with the UN targets and carried out a materiality analysis, which resulted in a prioritised list of the SDGs

where CPH has the greatest negative and positive impact – and where stakeholders have the highest demands/strongest interests. On this basis, we selected the four SDGs below.

As a follow-up to CPH's new business strategy, which positions corporate responsibility more centrally in the day-to-day work and strategic initiatives, the CR strategy was due for update in 2020. This was postponed to 2021 because of the corona crisis. Part of the update will involve revisiting the SDGs with a view to sharpening our efforts and integrating the goals more tightly in our business.



Goal 8

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



Goal 9

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation



Goal 12

Ensure sustainable consumption and production patterns



Goal 13

Take urgent action to combat climate change and its impacts

CPH in strong climate partnerships

Although the aviation industry's ability to invest in a sustainable transition has been challenged by the economic crisis triggered by the pandemic, CPH is maintaining a high level of ambition. In 2020, we engaged in strong climate partnerships and are working to cultivate political support for initiatives that can make aviation a sustainable form of transport. This bodes well for the future.



During the first lockdown, we invited kindergartens in Tårnby Municipality to come on a tour of the airport, ensuring safe distancing and providing plenty of hand sanitiser. The potential employees and passengers of our future sustainable airport visited twice a week in May.

Air travel generates economic, human and cultural value. But aviation also contributes to global CO₂ emissions and climate change. This must be addressed. A sustainable transition is vital for enabling us to retain the positive aspects of being able to travel and do business between countries and continents.

As a leading company in the Danish aviation sector, CPH has a special responsibility to contribute to a sustainable transition. Although 2020 was a year when we were compelled to put virtually all non-business-critical investments on hold, we nevertheless managed to make progress towards our climate targets for 2030 and 2050.

A joint plan for sustainable aviation

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.

In addition, the sector has unilaterally committed to reducing CO₂ emissions from international air traffic by 30% by 2030 compared to 2017. The goal is climate-neutral aviation by 2050.

Developing new fuels based on sustainable energy – known as "Power-to-X (PtX) fuels" – requires massive investments. Sustainable aviation fuels such as biofuel are already available, but in extremely small quantities and at high cost.

Establishing 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. This will enable the industry itself to make a sustainable contribution to the green transition in aviation.

For further information on the climate partnership's report and recommendations (in Danish), please visit www.dansk-luftfart.dk.

PtX – the green fuels of the future

For aviation and large parts of the heavy transport sector, the strategy for the green transition is closely connected with the development of PtX fuels.

The technology is established, but production needs to be scaled up and the price brought down so that the green alternatives become competitive with the fossil fuels used today.

This requires a political resolution to provide effective framework conditions so that producers are willing to invest in large-scale projects and the aviation and transport sector is able to purchase the sustainable fuels.

PtX is a generic term for the conversion of electricity into hydrogen via electrolysis, and subsequently into synthetic liquid or gaseous fuels or synthetic chemicals. In combination with CO₂, hydrogen made from renewable energy sources can be used to produce sustainable aviation fuel.

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 strategy. The recommendations were presented to Minister for Climate Dan Jørgensen at a conference in the Vilhelm Lauritzen Terminal at Copenhagen Airport.

For further information, please refer to the full report and recommendations (in Danish) at www.danskenergi.dk.

A vision for the future

In 2020, we were further able to announce the innovative Green Fuels for Denmark partnership, which also includes A.P. Møller - Mærsk, DSV Panalpina, DFDS, SAS, Nel, Everfuel, Haldor Topsøe and Ørsted. The partnership, which represents both the supply and demand sides, plans to build one of the world's largest PtX electrolysis plants to produce sustainable fuels for lorries, ships and aircraft.

The vision is to develop the project in three stages over the next 10 years. The first stage will involve a 10 MW electrolyser plant to produce renewable hydrogen for buses and lorries.

The second stage will see the facility expanded to 250 MW and capture of sustainable CO₂ linked to the process to be able to produce renewable methanol for waterborne transport and sustainable jet fuel for aircraft. When completed, the 1.3 GW facility could potentially supply 30% of the fuel we expect to need for the aircraft at Copenhagen Airport by 2030.



For further information about Green Fuels for Denmark (in Danish), please visit www.cph.dk/klima.

On the way to zero-emissions operations in 2030

Despite the severe economic crisis at CPH, we have continued working towards zero-emissions airport operations and implemented several energy-saving projects in 2020.

These included installing a large heat pump in Magleby to create a sector-linked energy system with a capacity equivalent to the

heating consumption of about 130 households. The heat pump runs on solar-generated energy and second-quality water.

At the same time, we have improved control of our groundwater cooling system, which now integrates better with our internal district heating system. The project has resulted in an energy saving of approximately 5 GWh and means that 100% of the heating supplied to the terminals at Copenhagen Airport in summer now comes from our own heat pumps on the coastal road.

In 2020, we were also able to add an extra photovoltaic system on the roof of the head office building. This means we now have a total of 9,300 m² of solar cells, which have a total production capacity of 1.8 MWp. In 2020, our solar panels produced enough electricity to cover 0.89% of CPH's total electricity consumption. The electricity produced from the new solar cells goes directly to an electrical panel that powers eight of our newly purchased electric vehicles.

Due to the reduction in traffic, some of our terminal areas were mothballed in order to

make the operation of the remaining traffic as effective as possible. In combination with our energy-saving projects, this resulted in a substantial reduction in our total energy consumption. In 2020, our energy consumption thus fell by 15% to 68 kWh/m².

Combined with our energy-saving measures, the low level of activity at the airport meant that CPH's CO₂ emissions fell to 21,702 tonnes in 2020. Despite lower overall emissions, CO₂ per passenger rose to 3.02 kg in 2020 from 0.89 kg in 2019 due to the massive decline in passenger numbers.

Carbon-neutral airport

We maintained our ACA accreditation as a carbon-neutral airport (level 3+) in 2020. The accreditation is based on CPH's many years of work on energy and the environment, as well as compensation for the residual CO₂ emissions that CPH is responsible for itself at Copenhagen Airport (scope 1 and 2).

The largest source of CO₂ emissions at Copenhagen Airport is fuel from the aircraft. Aircraft taking off from and landing at the airport have accounted for approximately 75% of total CO₂ emissions in the last five



years. In 2020, the figure fell to 64%, equivalent to 95,081 tonnes of CO₂ (2019: 276,126 tonnes of CO₂).

ALIGHT: a zero-emissions future

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. The results will lead to best practice tools that can inspire across Europe.

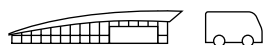


This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement no. 957824.

Carbon emissions at Copenhagen Airport

Scope 1 + 2 **21,702 tonnes in total**

Direct carbon emissions (scope 1) and indirect carbon emissions from CPH's activities (scope 2).

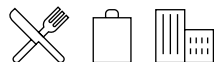


CPH's energy and fuel consumption from our buildings, runway system and vehicles.

15%

Scope 3 **126,833 tonnes in total**

Indirect emissions from airport activities that are not owned or controlled by CPH.



Energy and fuel consumption for partners' buildings, equipment and vehicles.

14%



Passenger and airport employee transport to and from the airport.

7%



Aircraft fuel consumption for engine runups, APUs and main engines (up to 3,000 ft).

64%

148,535 tonnes

total carbon emissions in 2020

374,895 tonnes in 2019

The ALIGHT project – a lighthouse for the introduction of sustainable aviation solutions for the future – started formally in November and will secure solutions to two overriding challenges:

The first concerns operations and logistics for handling sustainable fuels for aircraft in an operational context, including purchasing, blending, fuelling, quality control and safety processes.

The second concerns smart energy solutions for other airport operations, including increased own production of renewable energy, energy storage and electrification. A design manual for the aircraft stand of the future will also be developed to support electric and hydrogen-powered aircraft.



Through our focus on mitigating climate change via partnerships, CPH contributes to Sustainable Development Goal 13: Take urgent action to combat climate change and its impacts.

Stronger local partnerships in a time of crisis

For several generations, Copenhagen Airport has been the focal point for tens of thousands of people on the island of Amager. The worst aviation crisis in living memory hit the local community very hard. For many families, it meant that both parents lost their jobs at the airport. Our dialogue with and activities in the local community in 2020 were strongly focused on and impacted by the crisis.

In the spring of 2020, it quickly became apparent that COVID-19 and the economic crisis would have severe consequences, particularly for Amager. In normal times, around 22,000 people work at the 1,000 or so businesses in and around the airport. During the spring, thousands of employees were furloughed, and everyday life was turned on its head.

When it became obvious towards the summer that redundancies would be unavoidable in many companies, Tårnby Municipality took the initiative to open a local job and advice centre at the airport, targeted specifically at workers in the aviation sector. The opening of the local job centre was carried out in close cooperation with SAS and CPH. Since August, the pop-up centre has been extremely busy providing advice on training opportunities and new jobs.

In June, Capital Region of Denmark established a coronavirus test centre at the airport – initially on the airport plaza and later in one of the centrally located outdoor parking areas by the entrance to the Metro. This provided a place for employees, passengers and others to be tested for COVID-19.

Dialogue with neighbours went virtual

In 2020, we held our annual neighbour meeting as a virtual conference, where residents were able to put questions to CEO Thomas Woldbye via an online meeting platform. Although the format was forced on us by the circumstances, the event was a success, and many local people found time to take part.

During the year, we stepped up communications via our “Kære Nabo” (“Dear Neighbour”) local Facebook group, with more than 60 posts. These have been used to provide

information about the consequences of the economic crisis for the airport, but also about use of the runways, climate projects, neighbour activities and competitions for members of the neighbour group. Membership of the group has steadily increased from 688 in January to more than 1,300 at the end of the year.

An empty airport provided space for new activities

The empty terminals with just a few thousand passengers in the spring inspired a number of innovations, including a series of concerts in the parking area and an evening of live music recorded at various locations at the airport and broadcast by DR, the Danish Broadcasting Corporation.

Visitors for our airport tours, which give people the chance to go airside at the airport, were also thin on the ground in 2020.

Instead, we decided to invite kindergartens in Tårnby Municipality to come on a tour of the airport. Ensuring that everyone kept a safe distance in the shuttle bus and used plenty of hand sanitiser, we welcomed groups of children twice a week throughout May. These days were great fun, with the big fire engines proving a favourite with our young visitors.

Passengers donate trees to local day-care centres

In 2020, we decided to close our CPH Advantage benefits programme so we can concentrate on making the same offers and opportunities available to all our passengers. Members of the scheme were given the choice of having their points paid out in cash, spending them at the airport or donating them to plant trees via the nationwide initiative “Danmark Planter Træer” (“Denmark Plants Trees”) and the charity “Plant et træ” (“Plant a tree”).

Thanks to the passengers’ donations, we were able to donate DKK 71,562 to the tree-planting initiative and DKK 392,414 to the charity in 2020. We are working with the charity and Tårnby and Dragør Municipalities to convert the donations into orchards, for example for Tårnby Municipality’s day-care facilities, schools and clubs, and all of Dragør Municipality’s day-care facilities.

The first of the 40 or so orchards were planted in a kindergarten in Kastrop on 7 December, which due to COVID-19 unfortunately became a smaller event than originally planned.

CPH must reduce the airport's environmental impact

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.

Far fewer flights meant less noise in 2020. The number of aircraft operations fell from 263,411 in 2019 to 98,239. 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.

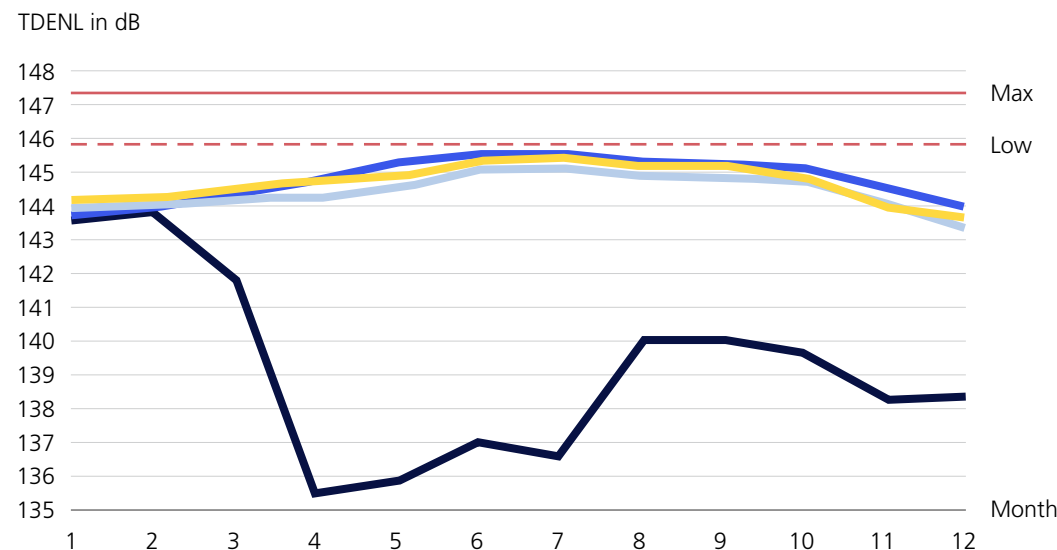
Twelve measuring stations log the noise 365 days a year. Six of these are in the residential areas around the airport, and the other six

within the perimeter fence. There are also two mobile measuring stations, which make it possible to collect supplementary noise data in areas without permanent measuring stations.

The corona crisis has changed the noise profile

The annual noise exposure is calculated in an average 24-hour period for the three months with the most flights. This is normally between

Development in noise exposure at Copenhagen Airport



- 2017
- 2018
- 2019
- 2020

The graph shows TDENL in dB per month. The solid line (Max) and the broken line (Low) indicate the two limit values in the environmental approval, each with different action levels. The TDENL values were historically low for most of the year. However, the yearly TDENL value was just 2 dB lower than in 2019. This is because the yearly TDENL value is calculated for the three busiest months, which in 2020 were January, February and March, when traffic was close to normal (except in the period after 11 March).

Based on figures for January, February and March, the TDENL in 2020 was calculated at 143.2 dB, almost 2 dB lower than in 2019 (145.1). However, noise exposure was at an historic low for the rest of the year. In April, the TDENL was 10 dB lower than normal.

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. Information of this nature is communicated via the Facebook

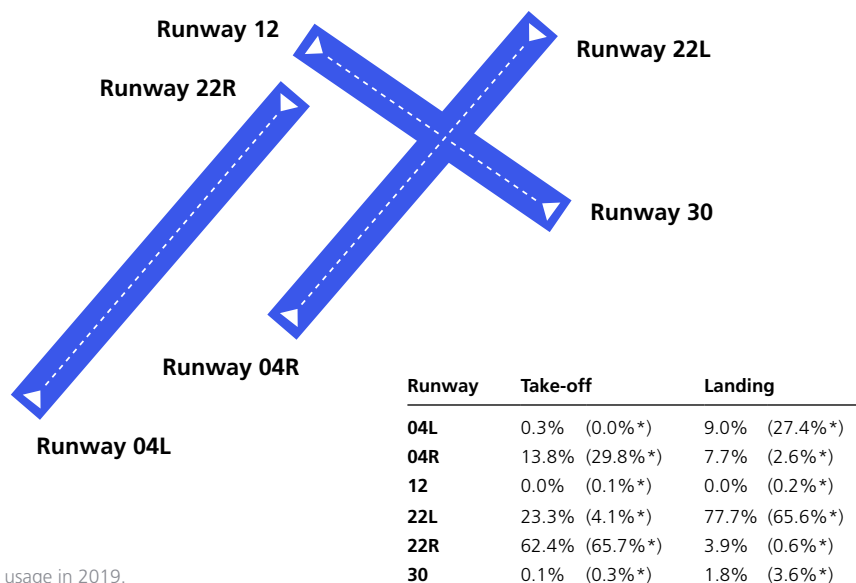
group "Kære Nabo" ("Dear Neighbour") and the CPH Flight Tracker web portal.

In 2020, we continued exploring the possibility of increasing the use of two starting positions further from housing in the village of Store Magleby when flights take off at night from runway 04R. We expect to be able to implement this change during 2021.

We monitored 153 departures and 80% complied with regulations.

It has been emphasised vis-à-vis several airlines that compliance with the APU regulations is a prerequisite for operating at Copenhagen Airport.

Runway usage in 2020



* Runway usage in 2019.

Improving air quality

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.

In 2020, the share of low-emission equipment operating at CPH increased from 70% to 75%. The target is that all vehicles operating at CPH should be emission-free by 2030. Due to the economic challenges caused by the COVID-19 crisis, we regrettably decided to postpone the planned purchase of electric shuttle buses.

In addition, in 2020 we carried out a check of the airlines' use of APU. CPH Local Regulations allow max. 5 minutes' use of the APU after arrival at and before departure from the gate.

Regulation regarding use of aircraft APU*

Use of APU **must be limited** as much as possible. At Copenhagen Airport, the aircraft's auxiliary power units may be used:

- for max. 5 minutes after the aircraft arrives at the gate
- for max. 5 minutes before the aircraft departs from the gate.

Airline operators should not expect dispensation from the APU regulations.

* Extract from Copenhagen Airport Local Regulations.

Drop in the level of NO_x and NO₂

NO_x is the total of NO (nitrogen oxide) and NO₂ (nitrogen dioxide). These gases contribute to air pollution and are usually produced during combustion of fuels, for example by vehicle and aircraft engines. There is no regulatory air quality limit value for NO_x in Denmark. The limit value for NO₂ is 40 µg/m³. At Copenhagen Airport, we measure NO₂ and NO_x at two measurement stations on the perimeter fence, one in the western and one in the eastern part of the airport, in order to evaluate the potential impact of the airport activities on the local community.

The level of NO₂ dropped by approximately 25% in 2020 compared to 2019. This is less than the drop in airport-related activities, which shows that the airport is not the only source of NO₂ in the local area.

Measured concentrations of NO_x fell by 31% in 2020, although this is much less than the fall in calculated NO_x emissions from aircraft (66%). Again, this is because aircraft at the airport are not the sole source of NO_x emissions. Other sources include road traffic and heating of buildings in the local area, which have not experienced the same direct reduction in activity level as air traffic.

Focus on recycling

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.

Our 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. In 2021, we will reassess our target and strategy for recycling and introduce a sharper focus on the circular economy. This may lead to changes in our targets for 2023.

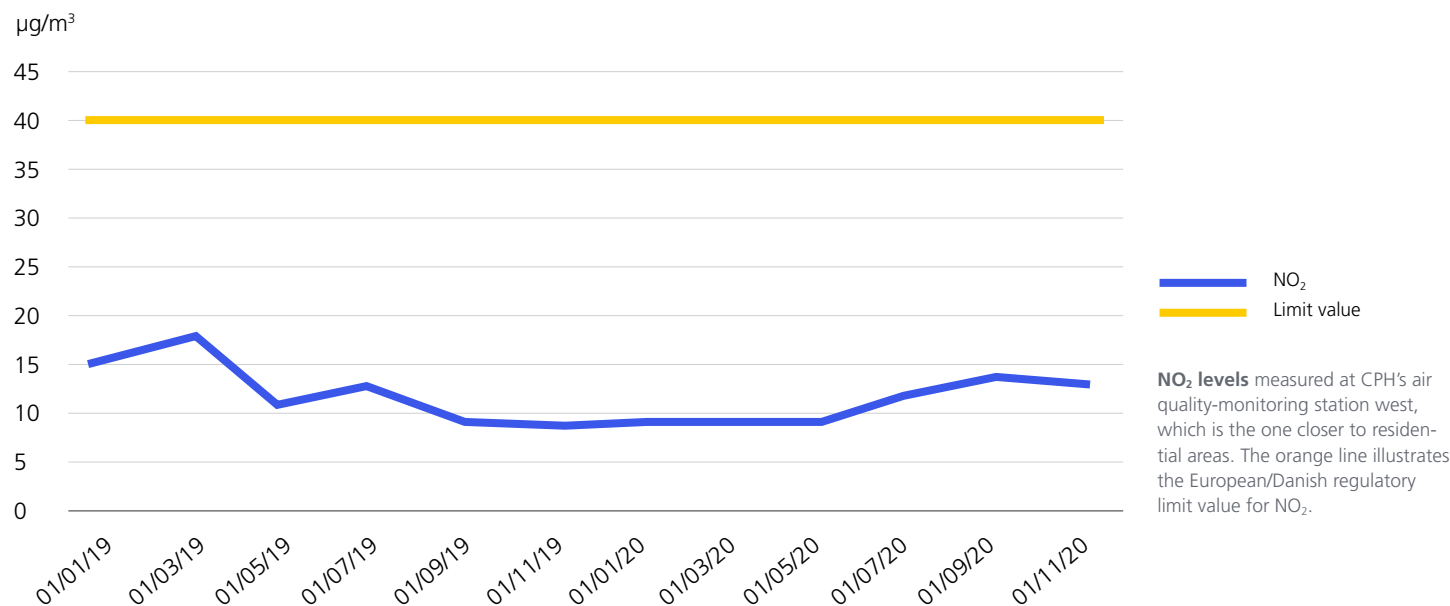
To improve opportunities for sorting more types of waste in the terminal areas, we are investing in a new type of waste container. As well as providing better sorting, this will save one in five of the plastic bags currently used in the general waste containers. The new containers are fitted with sensor technology and a solar-powered compression unit, which means they can compress the waste and indicate when they need to be emptied.

Also in 2020, 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.



Through our focus on recycling and biowaste, CPH contributes to Sustainable Development Goal 12: Ensure sustainable consumption and production patterns

NO₂ levels per month during 2019 and 2020



NO₂ levels measured at CPH's air quality-monitoring station west, which is the one closer to residential areas. The orange line illustrates the European/Danish regulatory limit value for NO₂.

Daily working life turned upside down

Everyday working life was turned upside down for employees and management when the pandemic hit in March. One crucial goal for CPH was to protect as many jobs as possible – for as long as possible. Thanks to crisis management, communication and working closely with trade union representatives and the authorities, we made it together through a difficult 2020.

The coronavirus pandemic has made great demands of both employees and managers in terms of flexible crisis management. Shifting messages on coronavirus guidelines for airports, the economic crisis facing all the businesses in and around the airport, and the ever-changing travel guidance made for a totally unpredictable situation, which has called for an extraordinary capacity to adapt quickly and handle new tasks.

Despite the growing crisis, we carried out a planned organisational review and change to the organisation in the early summer, which ensured clear roles and responsibilities so we could execute on the new strategy (see page 15). This made enormous demands of employees and management in the individual departments and units, where many people had been furloughed.

Alongside the significant changes under way, managers and employees had to find cash savings in the region of DKK 1 billion. On top of this, everyone had to come to terms

with the loss of 772 out of 2,617 positions in August and November because of the severe economic crisis. Credit facilities were secured and CPH continued to operate even when spending double-digit millions of kroner every month throughout the year.

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.

Throughout the process, we enjoyed close and fruitful collaboration with CPH's local job centre and Tårnby Municipality.

The combined measures affecting CPH's employees translated into savings of approximately DKK 500 million annually, which is vital in helping CPH through the crisis.

Training must build bridges to the future

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. In 2020, we concentrated both on helping laid-off colleagues to find other work by means of competence development and on upskilling employees staying at CPH.



We achieved this by working closely with three vocational colleges (TEC, AOF and ZBC), the Danish Agency for Labour Market and Recruitment, and CPH's local job centre. During 2020, employees completed a total of 1,200 training weeks, with a focus on digital competences and English. In addition, we commenced 80 courses to train our unskilled employees to obtain skilled jobs, and since January 2021, we have run 30 courses to help employees change career pathway.

Remote management a challenge

For CPH's managers, the unpredictable crisis has called for significant agility and a far greater degree of situational leadership than before. 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.

Equal conditions and opportunities for all at CPH

CPH is a vital part of Danish society and infrastructure and has an international customer base. Both elements require a diverse mindset and understanding. We take this responsibility very seriously, and strive to operate and develop the airport with respect for our customers, employees, partners, other stakeholders and society at large by mirroring the diversity we meet. We are highly dependent on key partnerships and networking to achieve our results.

In addition to the important role diversity plays in our strategic ambition and purpose, competition for skilled employees is increasing. Focus on diversity in the workplace will become even more important in the years ahead. Furthermore, we need to realise CPH's full organisational potential: by having a diverse and inclusive organisation and workplace, we expect to increase motivation and commitment among our employees.

Although the corona crisis 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 CPH has a zero-tolerance approach to all forms of discrimination.

CPH 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. We updated our 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.

Our overarching goal is to increase diversity and inclusion at all organisational levels across CPH, 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.

Diversity at 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.

The age split of the Board is 17% in the 36-49 age category and 83% in the over 50 age category. The split on ethnicity is 50% ethnic Danes and 50% non-ethnic Danes, and therefore within our target of a 70/30 split on ethnicity on the Board.

To achieve a more gender-diverse management team and workforce, our diversity strategy sets a target of achieving a minimum representation of 30% of both genders across all organisational levels by 2025.

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.

In terms of age diversity, we aim to achieve a better mix of employees of all age groups. For CPH that means the following split across the four age categories: under 25 (5%), 26-35 (15%), 36-49 (40%) and over 50 (40%). In 2020, the shares were 2.1%, 12.5%, 40% and 45.4% respectively. To better reflect the society in which we operate and to engage with our partners and customers, we are also striving to develop our mindset and multicultural understanding.

Diversity targets in focus

To support our diversity targets, we focus in our recruitment process on promoting diversity. For example, we target our job postings to appeal to both women and men, and we expect our search partners to present candidates of both genders each time vacant positions are to be filled. In addition, we strive in our HR development activities to focus on unconscious biases and social norms, which are not conducive to achieving diversity goals.

We are very aware that creating a diverse mindset and culture needs to be initiated and nurtured from the top of the organisation. For this reason, we will analyse whether there are aspects and structures within CPH that may act as barriers to cultural diversity.

We will also start a dialogue at all organisational levels on how social norms and perceptions affect the culture at CPH. We believe that creating a diverse mindset and culture begins with recognising our differences. This work will be closely linked to tracking our continued progress on reducing discrimination and harassment across CPH.

Read our new Policy for Diversity and Inclusion at www.cph.dk/en/about-cph/organisation.

For further information on corporate governance and the Board of Directors, see pages 47-50.

The working environment must be safe

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. Together with our employees, we largely avoided chains of transmission and kept the airport safe and operational – something of which we can be proud.

Copenhagen Airport is a key part of Denmark's infrastructure, and must therefore remain open at all times. The outbreak of the coronavirus pandemic required the working environment department to draw up guidelines and policies to ensure that the airport's many functions could be sustained as the virus struck.

As soon as the lockdown started in March, CPH 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.

For example, the staff at our two fire stations were unable to meet physically. As in society at large, home working and virtual meetings became vital tools in keeping things up and running – at a distance. On site at CPH, hand sanitiser dispensers were set up, enhanced cleaning routines introduced, visors handed out and special guidelines drawn up for regular testing and use of meeting rooms and CPH's canteens.

Shortage of personal protective equipment

Evolving national and international guidelines for dealing with COVID-19 at airports and in public areas meant that CPH continually had to adapt and establish new procedures in the terminal areas, often at very short notice.

During the spring, CPH experienced the same challenges in accessing enough personal protective equipment (PPE) as large parts of the Danish healthcare system. With global production and distribution lines under extreme pressure, at one stage it was difficult to procure PPE, sanitiser and, in particular, masks and visors.

Many small companies and stores at the airport also had trouble finding the PPE they needed. CPH therefore contacted local suppliers that do not normally work in the PPE industry. By working closely together and pooling product development, we were able to secure enough supplies both for ourselves and our partners at the airport.

Safe reopening of CPH

As Denmark reopened its borders in the summer, CPH set up a permanent task force to ensure 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 anti-bacterial hand wipes and sanitiser dispensers in meeting rooms, vehicles and canteens.

Occupational injuries and absence due to illness low

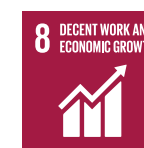
The severe economic crisis at the airport meant that large parts of the construction work under way were postponed or halted for good. The number of occupational injuries on building sites, however, increased in 2020 to 13.6 injuries per million working hours. This was still below the 2020 KPI of less 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.

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.

The airport 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.



With our efforts in the areas of e.g. working environment, diversity and inclusion, CPH contributes to Sustainable Development Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

A place for everyone at CPH

CPH supports and respects the protection of international human rights and does not take part in any form of activity that violates these rights. We have a zero-tolerance approach to all forms of corruption, including bribery and extortion.

All passengers at Copenhagen Airport have the right to feel safe, secure and well treated. One example of how we put this into action is that all employees working in Security undergo mandatory training that covers understanding of and respect for the passengers' different backgrounds and values.

Another example concerns passengers with hidden disabilities or diagnoses such as autism, Alzheimer's, brain damage, ADHD, anxiety and dyslexia. In January 2020, CPH adopted the now internationally recognised sunflower lanyard. By wearing this around the neck, passengers give airport employees a clear signal that they may require extra help, time or patience.

All employees of CPH and the many other airport companies have been introduced to

various diagnoses and disabilities through training videos so that they are better equipped to understand and accommodate the diversity among the passengers in our airport. CPH has also helped to extend the sunflower lanyard scheme to Denmark's other major airports.

At the end of 2020, our many years of focus on accessibility were rewarded with industry organisation ACI EUROPE's Accessible Airport Award for the most disability-friendly airport in Europe. To a large degree, this award is recognition of the positive cooperation between CPH and the many partner companies that operate at the airport to create the best travel experience for all passengers.

Handling personal data

CPH gathers and processes personal data in

connection with security in the airport area, and to provide various services to passengers, employees, visitors and other people who frequent the airport daily.

It is important to CPH that everyone feels reassured that personal data are handled correctly, and that employees have access only to data relevant for carrying out their specific tasks.

We follow up on the processes on an ongoing basis, and procedures are adjusted based on new knowledge and guidelines from the authorities. CPH is not aware of any complaints made to the Danish Data Protection Agency in 2020 concerning its handling of personal data.

Transparent and responsible corporate culture

Being a responsible workplace also means having in place clear rules for ethical conduct for employees and the company as a whole. CPH 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, we follow 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. The scheme enables employees and other stakeholders to report serious incidents.



Taxation

CPH is an important contributor

With around 2,600 employees, CPH is an important contributor of taxes to the Danish State. This applies both to taxes expensed by CPH and taxes collected (in transit) by CPH on behalf of the government. The coronavirus pandemic has resulted in reduced/lost taxes for society. CPH's tax contribution totalled DKK 570 million in 2020, including corporation tax, environmental and energy taxes, payroll tax, etc., VAT and property taxes.

Group structure, ownership and 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. 59.4% 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.

Tax compliance

CPH has a clear compliance strategy with the objective that both corporation tax and other taxes are paid on time and reported in accordance with legislation. This also applies to taxes collected (in transit). CPH's corporate tax policy applies only to Copenhagen Airports A/S and its subsidiaries, not to holding companies.

Total tax contribution

In 2020, CPH contributed DKK 570 million (2019: DKK 1,317 million) in taxes to the Danish State. This amount includes DKK 38 million expensed by CPH (2019: DKK 308 million).



CPH collected DKK 722 million (2019: DKK 1,009 million) in taxes (in transit) such as VAT, payroll tax, and environment and energy taxes. Tax on the result for the year was due to the loss for the year an income of DKK 190 million. Other taxes expensed comprise environment and energy taxes, social contributions (payroll tax, etc.), VAT and property taxes. Payroll tax is primarily paid by CPH's employees. Public airports in Denmark are generally exempt from property taxes.

Corporation tax

The corporation tax rate in Denmark is 22%. CPH's effective tax rate for 2020 was 23%

(2019: 21.1%). CPH makes maximum capital allowance for non-current assets, which reduces corporation tax while increasing deferred tax correspondingly. Corporation tax is paid throughout the year, while the balancing amount is paid in the subsequent year. CPH pays an interest supplement on the balancing amount. See note 2.6 in the financial statements for additional information.



98,239

take-offs and landings in 2020

263,418 in 2019

Safety &
risk management

Aviation safety is vital

We strive to be among the best airports in the world in terms of managing aviation safety in order to make passengers and staff feel safe. The corona crisis has meant significantly less traffic. We have spent the time on improvements and training.

The number of aircraft operations in 2020 was the lowest since the late 1960s, and many employees in Safety had to be fully or partly furloughed. Following expiry of the government salary compensation scheme in August, employees returned to a new and very different normal.

CPH therefore focused on preparing everyone for safety work at a time when everyday activity around runways, taxiways and stands was very different to how it had been before the corona pandemic hit. Authorisations and permissions were reviewed, and extra training was carried out.

We also further developed the Ground Coordinator Function, set up in 2018 to provide a better overview of air traffic and apron activities. This function requires a good shared understanding of safety and procedures in areas that are extremely busy with equipment, vehicles, aircraft, employees and passengers.

We are now in the process of upgrading the Ground Coordinator Function to include not just responding to observations and reports, but also identifying issues.

The significantly reduced traffic in 2020 also meant there was plenty of space to repaint all aircraft-related markings both around the runways and in the area where the aircraft park. This will reduce the risk of errors and confusion among pilots.

Renovation of runway lights

It is inherent to a robust safety culture that the airport ensures that all relevant occurrences are reported and processed for the purposes of learning and continual improvement of aircraft safety.

In particular, a very low tolerance threshold applies when it comes to safety in the airport's aircraft manoeuvring area. Runway inspections, for example, are conducted five times every 24 hours.

In January, a special occurrence report was submitted to the authorities concerning finds of dislodged light fittings and loose parts in the manoeuvring area in 2018 and 2019. This resulted in several improvements relating to preventive maintenance work, while the skills of the organisation were also adapted and strengthened.

With far fewer flights in 2020, the replacement of the bottom parts of 2,400 lights was carried out faster than expected and completed in October.

More birds

The corona crisis has shown that aircraft are the most effective tool for scaring birds. A year with significantly fewer flights meant increased bird activity in and around the airport. So our 12 wildlife controllers were extra busy observing, recording and frightening birds away from the area to prevent bird strikes.

The increased bird activity primarily involves black birds such as crows and ravens, though the more territorial birds of prey, such as kestrels and buzzards, are also being seen at the airfield in greater numbers. Our wildlife controllers are on top of the situation, and CPH has no reason to conclude that the risk has increased materially.



2,400
lights in manoeuvring
areas had the bottom
parts replaced

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	<p>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.</p> <p>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.</p>	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	<p>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.</p> <p>The challenges of climate change are attracting a lot of attention, both nationally and internationally.</p> <p>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.</p>	<p>Airport operations can impact the environment in many ways, for example in terms of noise, air quality, surface water, wastewater, groundwater, etc.</p> <p>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.</p>	<p>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.</p> <p>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.</p>
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.



The Danish State owns

39.2%

of the shares

Governance,
leadership & shares

Shareholder information

Throughout 2020, CPH's shares formed part of Nasdaq Copenhagen's Nordic Large Cap segment, which consists of companies (outside the C25 index) with a market capitalisation of EUR 1 billion or more.

Investor relations policy

CPH's investor relations policy is to offer a consistently high level of information on CPH's goals, performance and guidance through active and open dialogue with shareholders, other investors and stakeholders.

IR activities in 2020

In 2020, updated information on CPH's financial performance was made available to shareholders and other stakeholders at www.cph.dk/en.

Analyst coverage

CPH's ownership structure means it is not covered by any equity analysts.

The CPH share

At 31 December 2020, CPH had share capital of DKK 784,807,000 divided into 7,848,070 shares, each with a nominal value of DKK 100.

CPH has a single share class, and no shares carry special rights. The shares are listed on Nasdaq Copenhagen under ISIN DK0010201102.

A total of 53,320 shares were traded during the year, equivalent to 0.68% of the share capital and an average of 215 shares per trading day. The total value of the shares traded was DKK 225 million. CPH's market capitalisation at year-end was DKK 42.2 billion (2019: DKK 44.6 billion).

Shareholders

CPH had 5,488 registered shareholders at 31 December 2020.

Treasury shares

CPH did not buy or sell treasury shares in 2020 and held no treasury shares at year-end.

Dividend policy

The purpose of CPH's dividend policy is to create shareholder value. A key element of this is maintaining an efficient and prudent capital structure that provides funding for business and investment requirements. Dividends have been suspended 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.

Credit rating

CPH is rated by two rating agencies: Fitch (BBB long+) and Moody's (Baa2).

Management shareholders at 31 December 2020

Board of Directors: John Flyttov: 1 share (2019: 1 share).

No options or warrants have been issued to members of the Board of Directors or the Executive Management. For information on remuneration to the Executive Management, see note 2.5 to the financial statements.

Shareholdings of more than 5%

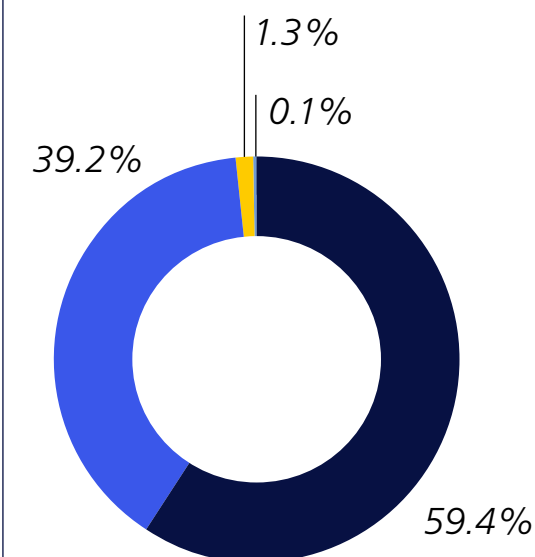
The following shareholders held more than 5% of the share capital at 1 March 2021:

- Copenhagen Airports Denmark ApS (CAD)
- The Danish State

Shareholder structure

at 31 December 2020

- Copenhagen Airports Denmark ApS (CAD)*
 - Ontario Teachers' Pension Plan (OTPP)
 - Danish Labour Market Supplementary Pension Fund (ATP)
- Danish State
- Danish private and institutional investors
- International private and institutional investors



* For a further description of OTPP's and ATP's shareholdings in CPH, see note 5.5 to the financial statements on related parties.

Corporate governance

The purpose of corporate governance at CPH is to support value creation and accountable management, thereby driving long-term success.

Annual General Meeting

The Annual General Meeting (AGM) has the highest authority in all company matters. CPH's AGM is held before the end of April every year.

- ensure that bookkeeping and financial reporting are carried out in a satisfactory manner and that the necessary risk management and internal control procedures are in place

Board of Directors

CPH's Board consists of nine members: six are elected by the shareholders at the AGM and three by the employees. The Board oversees the overall and strategic management of CPH. The Board's roles and responsibilities are defined in its rules of procedure, according to which the Board must:

- ensure proper organisation of CPH's activities and that the Executive Management performs its duties in an appropriate manner

- ensure accountable management and sound capital resources
- define CPH's overall goals, strategies, action plans and investment policies.

The Board held eight meetings in 2020. The agenda is set out in an annual plan, ensuring that the principal tasks are performed in a timely manner and distributed sensibly over the year. Due to the high level of uncertainty in 2020, the annual plan was supplemented with recurring update meetings, conducted

by Executive Management, to keep the Board well informed about the business at all times.

CPH's employees elect three members to serve on the Board for four-year terms. The most recent employee election took place in March 2019. Pursuant to Danish legislation, employee-elected board members have the same rights, obligations and responsibilities as board members elected by the shareholders at the AGM.

The Board has drawn up a specification of the competences required of members of CPH's Board. Board member nominations must take this specification into account. The specification states that members must have a relevant professional background with particular focus on relevant sectors.

Qualifications must include experience in business consulting, primarily commercial and financial consulting, commercial operations and aviation development.

The Board has laid down an evaluation procedure in accordance with the recommendations on corporate governance. In autumn 2020, an evaluation was carried out of the Board as a whole, and its collaboration with the Executive Management and other senior management. In light of a very thorough 2019 evaluation carried out with the assistance of an external consultant, the 2020 evaluation, overseen by the Chairman, was conducted internally by means of a questionnaire. The conclusions were subsequently discussed by the Board. The overall conclusion was that the Board is generally well-functioning. Dialogue on the



individual sub-elements of the evaluation uncovered a few areas where the Board will intensify its focus going forward.

Chairmanship

The Board has elected a chairmanship consisting of the Chairman and two Deputy Chairmen. The Chairmanship prepares and organises the work of the Board with a view to assisting the Board in executing its tasks, duties and responsibilities efficiently and responsibly. The Chairmanship also performs the role of a nomination and remuneration committee. The Chairmanship held 12 meetings in 2020, at which it considered several issues in accordance with the annual plan for the various activities.

Audit and Risk Management Committee

The Board of CPH has set up an Audit and Risk Management Committee (ARMC). The primary objective of the Committee is to assist the Board in discharging its accounting, reporting and auditing responsibilities, and carrying out internal control and risk management at CPH. The airport-specific responsibilities related to the ADR requirements and organisation also rest with the ARMC; this includes the appointment of an Accountable Manager. The ARMC held four meetings in 2020, at which it considered several issues in accordance with the annual plan for the various activities set out in the Committee's terms of reference.

Executive Management

The Executive Management (EM) oversees the day-to-day management of CPH. In performing this task, EM complies with the guidelines and directions laid down by the Board in its instructions to EM. EM makes recommendations to the Board with respect to capital resources, organisation and insurance matters as well as the definition and implementation of CPH's goals, strategies, action plans and investment policies. Lastly, EM provides the Board with timely reporting and information about day-to-day operations and financial matters.

Reference to statement on corporate governance

CPH prepares a detailed statement on corporate governance. The statement describes whether and how CPH complies with the recommendations of the Danish Committee on Corporate Governance. The statement also presents the main elements of CPH's internal control and risk management systems in connection with the financial reporting process. The statutory statement on corporate governance, see section 107b of the Danish Financial Statements Act, is available on CPH's website www.cph.dk/om-cph/investorer/corporate-governance-i-cph.

8

Board meetings in 2020



Board of Directors



Lars Nørby Johansen

Danish citizen, born 1949. Chairman of the Board of Directors since 2014. Elected for a term of one year. Independent board member.

Directorships

Chairman

- Codan A/S and Codan Forsikring A/S
- Dansk Vækstkapital
- Montana
- Trapholt, Museum of Modern Art and Design
- William Demant Foundation
- William Demant Invest

Deputy Chairman

Arp-Hansen Hotel Group

Relevant expertise

Previously chairman of the Copenhagen Stock Exchange Committee on Corporate Governance.

Meetings attended

Board meetings: 8
Chairmanship meetings: 12



David Stanton

British citizen, born 1969. Managing Director, Ontario Airports Investments Ltd. Member and deputy chairman of the Board of Directors since 2011. Chairman of the Audit and Risk Management Committee (ARMC). Elected for a term of one year.

Directorships

Member

- Birmingham Airport
- London City Airport

Relevant expertise

Expertise in finance, accounting, business development and commercial operations with in-depth knowledge of the aviation sector.

Meetings attended

Board meetings: 8
ARMC meetings: 4
Chairmanship meetings: 12



Ulrik Dan Weuder

Danish citizen, born 1969. Senior Vice President and Head of Global Direct Investments at ATP. Member and deputy chairman of the Board since December 2017. Member of the Audit and Risk Management Committee (ARMC). Elected for a term of one year.

Directorships

Member

Redexis, non-executive director

Relevant expertise

Significant experience in planning, financing and expanding infrastructure. Manages ATP investments worth over DKK 85 billion, including infrastructure investments of DKK 45 billion.

Meetings attended

Board meetings: 8
ARMC meetings: 4
Chairmanship meetings: 12



Charles Thomazi

Canadian citizen, born 1963. Managing Director, EMEA of OTPP's Infrastructure and Natural Resources portfolio. Member of the Board of Directors since 2015. Elected for a term of one year.

Directorships

Member

- Brussels Airport
- Maple Co
- Ontario Airports Investments Limited
- Scotia Gas Networks

Relevant expertise

More than 20 years' experience in the financial sector and more than 18 years' infrastructure experience. Has worked within several sectors with primary focus on transport infrastructure.

Meetings attended

Board meetings: 8



Janis Kong

British citizen, born 1951. Member of the Board of Directors since 2012. Member of the Audit and Risk Management Committee (ARMC). Elected for a term of one year. Independent board member.

Directorships

Chairman

Bristol Airport

Member

- Portmeirion Group PLC (stood down in May 2020)
- Roadis

Relevant expertise

In-depth knowledge of the airport sector achieved through a 33-year career with British Airports Authority plc, where she has held a number of positions, including that of chairman of Heathrow Airport Ltd.

Meetings attended

Board meetings: 8
ARMC meetings: 4



Martin Præstegaard

Danish citizen, born 1976. Joined ATP as CFO and Deputy CEO in 2019. Worked prior to that for five years as Permanent Secretary of the Ministry of Finance and four years in Denmark's Radio as director of DR Finance. Started his career in the Ministry of Finance as Departmental Manager, Ministerial Secretary and Head of Section. Private Secretary, later as Head of Secretariat and Head of Department in the State Procurement Center. Elected for a term of one year.

Directorships

Member

- TDC A/S

Meetings attended

Board meetings: 6

Employee representatives



Betina Hvolbøl Thomsen

Danish citizen, born 1963.
Project coordinator.

Employee representative

Member of the Board of Directors since 2019. Elected for a term of four years.

Meetings attended

Board meetings: 7



John Flyttov

Danish citizen, born 1956.
Security officer.

Employee representative

Member of the Board of Directors since 2015. Elected for a term of four years.

Meetings attended

Board meetings: 8



Dan Hansen

Danish citizen, born 1978.
Semi-skilled worker.

Employee representative

Member of the Board of Directors since 2015. Elected for a term of four years.

Meetings attended

Board meetings: 8

Executive Management



Thomas Woldbye *CEO*

Danish citizen, born 1964.
Appointed CEO of Copenhagen Airports A/S on 1 May 2011, prior to which he worked for A.P. Moller-Maersk for 27 years, including some 20 years in international postings.

Directorships

Chairman

- Copenhagen Airport Hotels A/S
- Copenhagen Airports International A/S
- Welcome Home (veterans organisation)

Vice chair

- Smarter Airports A/S

Member

- ACI Europe
- Centre for Leadership, Cfl
- Confederation of Danish Industry's Business Policy Committee
- SITA N.V.
- Wonderful Copenhagen





Loss before tax, DKK

828.2 million

Consolidated financial
& non-financial statements

Consolidated financial review & statements

Financial performance

Revenue and other income

Revenue for the year amounts to DKK 1,575.7 million and comprises aeronautical revenue of DKK 695.4 million and non-aeronautical revenue of DKK 880.3 million. Consolidated revenue fell by DKK 2,770.0 million or 63.7% compared to 2019.

The decline is caused by the coronavirus pandemic and related government actions to curb the spread of the virus, which resulted in a significant decrease in passenger numbers. This had an adverse effect on aeronautical revenue, which decreased by DKK 1,719.8 million or 71.2% from 2019 to 2020.

Non-aeronautical revenue is also severely affected by the low passenger numbers. Most concessionaires in the restaurant and convenience segment, banks and specialty shops were closed for large parts of 2020, which resulted in a decline in revenue of 62.8%. Parking revenue is also severely impacted by fewer locally departing passengers. Sales of services decreased by DKK 165.4 million, primarily as a result of fewer services for persons with reduced mobility (PRM) and lower demand for energy, both of which were negatively affected by the ongoing pandemic.

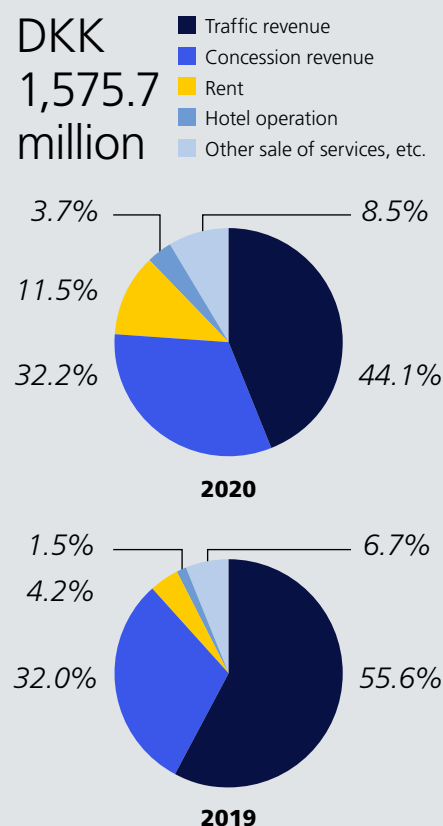
Other income of DKK 357.6 million primarily relates to compensation received from the Danish government's support packages for wages and salaries, fixed costs and airport charges.

Operating costs

Operating costs including depreciation and amortisation fell by a total of DKK 267.5 million relative to last year to DKK 2,648.0 million.

Staff costs decreased by DKK 63.4 million, mainly due to a decrease in headcount of 96 full-time employees, less overtime as a result of the low activity level and focus on savings. The decrease was partly offset by provisions related to redundancies in August and November as a result of the COVID-19 crisis and a decrease in

Revenue in 2020



work performed on CPH's projects because of the lower investment level compared to last year. External costs decreased by DKK 181.9 million, mainly as a result of aligning costs to the lower level of activity. Depreciation and amortisation were down by DKK 22.2 million due to fewer write-offs on assets not fully depreciated in 2020 compared to 2019. Depreciation reflects the current level of investment and is increasing because investments had increased previously.

EBITDA

Reported EBITDA decreased by 91.5% to DKK 201.2 million. Excluding one-off items, EBITDA fell by 85.2%.

EBIT

Reported EBIT decreased by DKK 2,147.1 million to a loss of DKK 715.1 million. Excluding one-off items, EBIT fell by DKK 2,012.9 million.

Net financing costs

Net financing costs decreased by DKK 25.6 million compared to 2019, mainly due to the lower average interest rate.

Tax on profit/(loss) for the year

Tax on profit for the year was a tax income of DKK 190.1 million, giving an effective tax rate of 23.0%. The tax rate in 2020 was 22.0% (2019: 22.0%).

Net profit/(loss)

CPH's profit after tax decreased by DKK 1,658.4 million to a loss of DKK 638.1 million. The decrease is primarily due to the coronavirus pandemic, partly offset by the strong focus on cost savings and the compensation packages received from the Danish government.

DKKm	Income statement				Income statement excluding one-off items			
	2020	2019	Ch.	Ch. %	2020	2019	Ch.	Ch. %
Revenue	1,575.7	4,345.7	(2,770.0)	(63.7%)	1,575.7	4,345.7	(2,770.0)	(63.7%)
Other income	357.6	1.8	355.8	-	357.6	1.8	355.8	-
External costs	351.0	532.9	(181.9)	(34.1%)	350.1	528.9	(178.8)	(33.8%)
Staff costs	1,381.1	1,444.5	(63.4)	(4.4%)	1,230.7	1,431.4	(200.7)	(14.0%)
EBITDA	201.2	2,370.1	(2,168.9)	(91.5%)	352.5	2,387.2	(2,034.7)	(85.2%)
EBIT	(715.1)	1,432.0	(2,147.1)	(149.9%)	(563.8)	1,449.1	(2,012.9)	(138.9%)
Profit/(loss) before tax	(828.2)	1,293.3	(2,121.5)	(164.0%)	(676.9)	1,310.4	(1,987.3)	(151.7%)
Net profit/(loss) for the year	(638.1)	1,020.3	(1,658.4)	(162.5%)	(520.1)	1,033.6	(1,553.7)	(150.3%)

Consolidated income statement, 1 January – 31 December

NOTE	DKKm	2020	2019
	Income statement		
	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	351.0	532.9
2.5	Staff costs	1,381.1	1,444.5
3.1	Amortisation and depreciation	915.9	938.1
	Operating profit/(loss)	(714.7)	1,432.0
3.4	Share of profit/loss after tax in associates	(0.4)	-
4.1	Financial income	10.7	7.1
4.1	Financial expenses	123.8	145.8
	Profit/(loss) before tax	(828.2)	1,293.3
2.6	Tax on profit/(loss) for the year	(190.1)	273.0
	Net profit/(loss) for the year	(638.1)	1,020.3
5.9	Earnings per DKK 100 share (basic and diluted) EPS is stated in DKK	(81.3)	130.0

NOTE	DKKm	2020	2019
	Statement of comprehensive income		
	Net profit/(loss) for the year	(638.1)	1,020.3
	Items that will be reclassified to the income statement		
	Currency translation of equity in a foreign branch	(2.5)	(0.8)
	Value adjustments of hedging instruments	(133.5)	147.3
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	(11.5)	(19.3)
	Other comprehensive income for the year	38.5	67.7
	Total comprehensive income for the year	(599.6)	1,088.0

Group balance sheet

At 31 December 2020, the Group has assets of DKK 14,278.2 million (2019: DKK 14,146.8 million). The increase of DKK 131.4 million is mainly due to the increase in fixed assets.

Non-current assets

Non-current assets totalled DKK 14,002.0 million (2019: DKK 13,503.0 million), or 98.1% of total assets (2019: 95.4%). The largest investments in 2020 comprise expansion of Terminal 3 landside, completion of Pier E, construction of a multi-storey car park, and new baggage facilities.

Current assets

Current assets totalled DKK 276.2 million (2019: DKK 643.8 million). The decrease is primarily caused by lower trade receivables, other receivables and prepayments, primarily due to lower revenue as a result of COVID-19.

Liabilities

Liabilities amount to DKK 11,619.2 million at 31 December 2020 (2019: DKK 10,888.2 million). The increase of DKK 731.0 million primarily relates to higher loan volumes. Non-current liabilities increased by DKK 3,233.1 million compared to 31 December 2019 (2019: decreased by DKK 392.0 million), primarily as a result of reclassification of financial institutions and other loans as current liabilities in 2019 and higher loan volumes in 2020. Current liabilities excluding the current portion of financial institutions and other loans amount to DKK 1,024.2 million (2019: DKK 1,425.1 million), a decrease of DKK 400.9 million. The decrease is mainly due to lower trade payables, lower payable tax and lower prepayments from customers.

Breakdown of investments in the aeronautical and non-aeronautical segments

- Aeronautical investments
- Non-aeronautical investments



Balance sheet, 31 December

NOTE	DKKm	2020	2019
	Assets		
	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 under construction	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	61.7	116.6
	Total financial investments	136.7	117.0
	Total non-current assets	14,002.0	13,503.0
	Current assets		
	Receivables		
5.1	Trade receivables	156.5	427.7
	Other receivables	35.1	129.5
	Prepayments	42.8	67.4
	Total receivables	234.4	624.6
	Cash	41.8	19.2
	Total current assets	276.2	643.8
	Total assets	14,278.2	14,146.8

NOTE	DKKm	2020	2019
	Equity and liabilities		
	Equity		
	Share capital	784.8	784.8
	Reserve for hedging	6.8	(32.0)
	Cost of hedging	(7.9)	(10.1)
	Retained earnings	1,875.3	2,515.9
	Total equity	2,659.0	3,258.6
	Non-current liabilities		
2.6	Deferred tax	856.3	1,035.2
4.2	Financial institutions and other loans	9,439.5	6,139.6
4.3, 5.2	Other payables	151.7	39.6
	Total non-current liabilities	10,447.5	7,214.4
	Current liabilities		
4.2	Financial institutions and other loans	147.5	2,248.7
	Prepayments from customers	234.1	305.2
	Trade payables	407.2	640.5
2.6	Income tax	-	116.3
4.3, 5.2	Other payables	379.5	357.3
	Deferred income	3.4	5.8
	Total current liabilities	1,171.7	3,673.8
	Total liabilities	11,619.2	10,888.2
	Total equity and liabilities	14,278.2	14,146.8

For more information, see list of notes on [page 61](#).

Equity & dividend

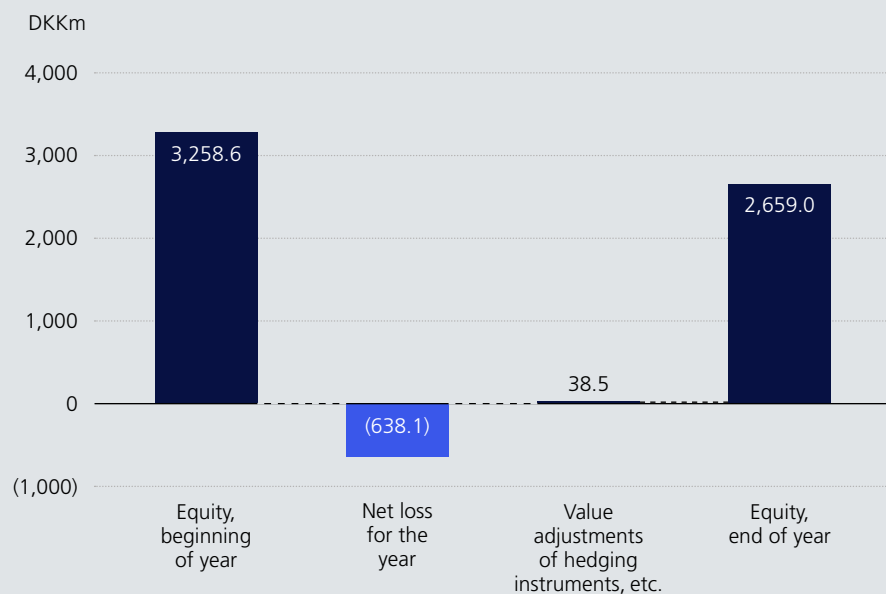
Equity

Equity totalled DKK 2,659.0 million at 31 December 2020 (2019: DKK 3,258.6 million). The decrease of DKK 599.6 million reflects the loss for the year.

Change in equity

Equity decreased by the loss for the year of DKK 638.1 million (2019: increased by a profit of DKK 1,020.3 million), partly offset by a positive impact of DKK 41.0 million (2019: DKK 68.5 million) from value adjustments of hedging transactions and the associated tax effect. These adjustments related to currency swaps to hedge USD and GBP exposure. There were also exchange rate adjustments of equity in a foreign branch, resulting in a negative impact of DKK 2.5 million (2019: negative impact of DKK 0.8 million). A decision was taken in 2020 not to pay a dividend to shareholders in respect of the second half of 2019 or in respect of 2020 (2019: DKK 915.7 million).

Movements in equity in 2020



Dividend

The Board of Directors proposes for adoption at the Annual General Meeting that no dividend be paid in respect of 2020. Dividends to shareholders in 2020 and 2021 have been suspended because of the financial situation and compensation received from the Danish government's support packages.

Dividends paid in 2019 comprised a dividend in respect of 2018 of DKK 678.1 million and a dividend in respect of the first half of 2019 of DKK 237.6 million.

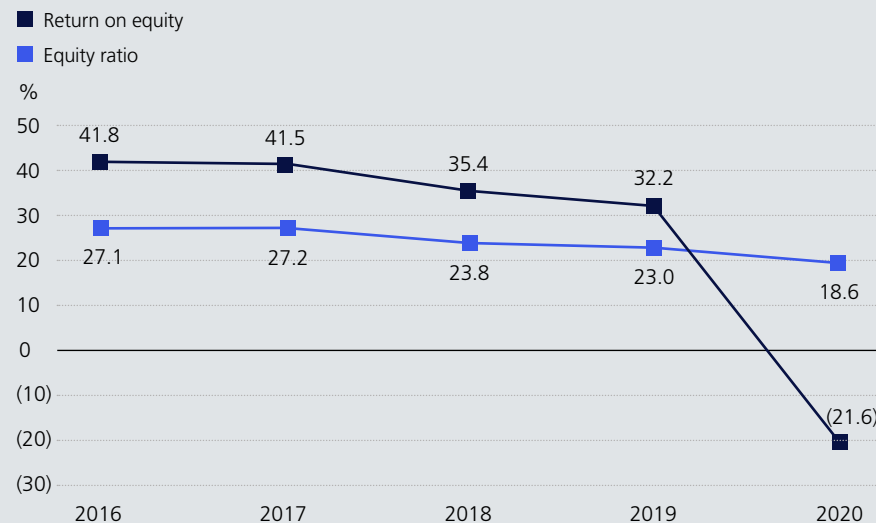
Equity ratio

The equity ratio amounts to 18.6% (2019: 23.0%) of the balance sheet total, a decrease of 4.4 percentage points compared to 2019 due to the net loss after tax in 2020.

Return on equity

The return on equity is negative at 21.6% in 2020 (2019: positive at 32.2%). The decrease is primarily due to the loss for the year.

Equity ratio and return on equity



Statement of changes in equity, 1 January – 31 December

DKKm	2020					2019				
	Share capital	Reserve for hedging	Cost of hedging	Retained earnings	Total	Share capital	Reserve for hedging	Cost of hedging	Retained earnings	Total
Equity at 1 January	784.8	(32.0)	(10.1)	2,515.9	3,258.6	784.8	(94.1)	(16.5)	2,412.1	3,086.3
Comprehensive income for the year										
Net profit/(loss) for the year	-	-	-	(638.1)	(638.1)	-	-	-	1,020.3	1,020.3
Other comprehensive income										
Currency translation of equity in a foreign branch	-	-	-	(2.5)	(2.5)	-	-	-	(0.8)	(0.8)
Value adjustments of hedging instruments	-	(106.3)	2.2	-	(104.1)	-	108.4	6.4	-	114.8
Value adjustments of hedging instruments transferred to financial income and expenses in the income statement	-	145.1	-	-	145.1	-	(46.3)	-	-	(46.3)
Total other comprehensive income	-	38.8	2.2	(2.5)	38.5	-	62.1	6.4	(0.8)	67.7
Total comprehensive income for the year	-	38.8	2.2	(640.6)	(599.6)	-	62.1	6.4	1,019.5	1,088.0
Transactions with owners										
Dividends paid	-	-	-	-	-	-	-	-	(915.7)	(915.7)
Total transactions with owners	-	-	-	-	-	-	-	-	(915.7)	(915.7)
Equity at 31 December	784.8	6.8	(7.9)	1,875.3	2,659.0	784.8	(32.0)	(10.1)	2,515.9	3,258.6

Cash flow statement

Cash flow from operating activities

Cash flow from operating activities amounts to DKK 183.1 million, a decrease of DKK 1,590.4 million compared to 2019. The decrease primarily relates to the fall in revenue resulting from COVID-19. The decrease in revenue is partly offset by lower costs as a result of the reduced activity level, the Danish government's support packages and lower tax payments. COVID-19 also affected the EBITDA index negatively.

Cash flow from investing activities

Cash flow from investing activities primarily comprises payments for intangible assets and property, plant and equipment totalling DKK 1,517.2 million (2019: DKK 2,141.3 million).

Cash flow from financing activities

Cash flow from financing activities is positively affected by proceeds from new loans raised and net draws on credit facilities, totalling DKK 3.4 billion. This effect is partly offset by amortisation and repayment of loans, including two USPP loans of USD 147 million (DKK 893.8 million) and GBP 23 million (DKK 202.2 million). In 2020, the leverage ratio was negatively affected by COVID-19, resulting in lower EBITDA and higher loan volumes.

Cash and cash equivalents

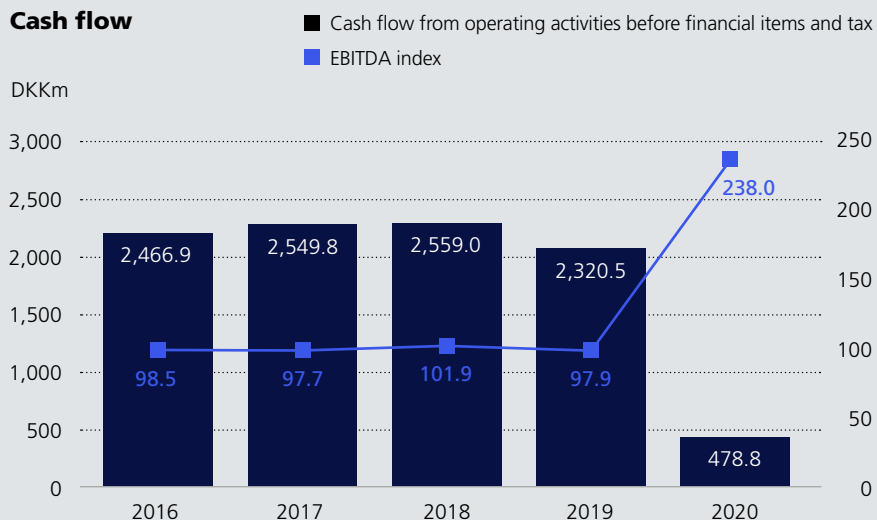
At 31 December 2020, CPH has cash and cash equivalents of DKK 41.8 million (2019: DKK 19.2 million) and committed undrawn credit facilities of DKK 4,450.0 million (2019: DKK 1,881.8 million).

Financing

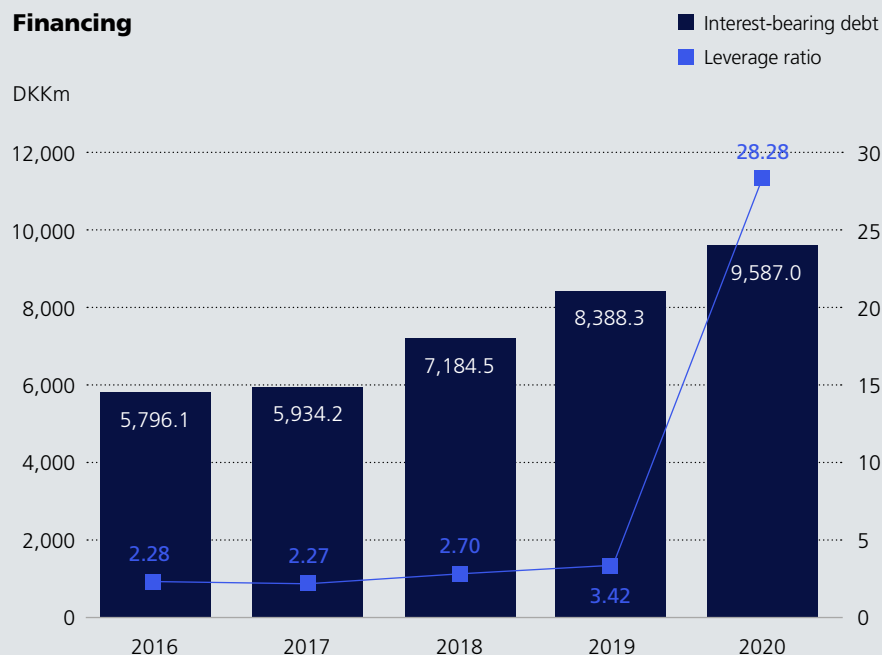
At 31 December 2020, CPH has interest-bearing debt of DKK 9,587.0 million (2019: DKK 8,388.3 million) and net interest-bearing debt of DKK 9,545.2 million (2019: DKK 8,369.1 million). The difference of DKK 41.8 million (2019: DKK 19.2 million) consists of cash and cash equivalents. In total, 98.5% of the interest-bearing debt (2019: 73.2%) is non-current, i.e. with a maturity of more than one year from 31 December 2020, comprising facilities in USD and DKK.

In May 2020, CPH entered into a two-year facility agreement amounting to DKK 6.0 billion with a club of banks. The new facility is a combination of a two-year term loan of DKK 2.0 billion and a two-year credit facility of DKK 4.0 billion.

Cash flow



Financing



Cash flow statement, 1 January – 31 December

NOTE	DKKm	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.	(1,294.3)	(2,034.3)
	Cash flow from operating activities before financial items and tax	478.8	2,320.5
5.3	Interest received, etc.	5.1	3.7
5.3	Interest paid, etc.	(184.1)	(194.3)
	Cash flow from operating activities before tax	299.8	2,129.9
2.6	Income taxes paid	(116.7)	(356.4)
	Cash flow from operating activities	183.1	1,773.5
	Cash flow from investing activities		
	Payments for property, plant and equipment	(1,441.8)	(2,050.3)
	Payments for intangible assets	(75.4)	(91.0)
	Sale 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)

NOTE	DKKm	2020	2019
	Cash flow from financing activities		
4.2	Repayments of long-term loans	(2,147.2)	(2,169.2)
4.2	Proceeds from long-term loans	5,550.0	2,950.0
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	-	(915.7)
	Cash flow from financing activities	1,388.6	226.1
	Net cash flow for the year	22.6	(139.9)
	Cash at beginning of year	19.2	159.1
	Cash at end of year	41.8	19.2



Notes Financial statements

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- Contains accounting policies
- Contains significant estimates and judgements
- Contains estimates and judgements

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Notes General

NOTE Significant accounting policies

1.1

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

Basis of preparation of the financial statements

CPH is a limited company domiciled in Denmark and listed on Nasdaq Copenhagen.

The consolidated financial statements of CPH 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, Copenhagen Airports A/S, are prepared in accordance with the Danish Financial Statements Act.

Significant accounting estimates

In preparing the consolidated financial statements, management makes various accounting estimates and assumptions that form the basis of the presentation, recognition and measurement of CPH's assets and liabilities.

The estimates made by CPH in determining the carrying amounts of assets and liabilities are based on estimates and assumptions that are subject to future events. These include estimates of the useful lives of property, plant and equipment, and their residual values. Estimates and underlying assumptions are based on historical data and factors that management considers relevant under the given circumstances. These assumptions may have to be revised, and unexpected events or circumstances may occur.

There are no changes to the estimates made by CPH 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 CPH's risks, see note 4.3 on financial risks.

General information

The Group Annual Report is 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, Copenhagen Airports A/S, and companies where the Parent Company directly or indirectly controls the majority of the votes or otherwise controls the companies (subsidiaries). Companies where CPH 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 realised and unrealised intercompany gains and losses on transactions between the consolidated companies are eliminated.

CPH's Group 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 CPH'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

CPH'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 recognised 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.

Notes General

NOTE Significant accounting policies (continued)

1.1

Statement of comprehensive income

CPH 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

Dividends

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

Reserve for hedging

The reserve for hedging transactions 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 realised.

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

Cost of hedging

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

Prepayments and deferred income

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

Deferred income recognised 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 CPH'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 CPH'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.

Notes General

NOTE 1.2 Recently adopted accounting standards and interpretations for implementation

With effect from 1 January 2020, CPH 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.

Implementation of the above-mentioned standards has not had an impact on the result or CPH'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 CPH 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 CPH. It is assessed that the above standards and interpretations will have an impact on recognition and measurement in CPH's Group Annual Report.

Notes General

NOTE 1.3 Going concern

CPH's management has considered the ongoing COVID-19 pandemic and the impact on cash flow and liquidity position. It is management's assessment that CPH is a going concern and hence the financial statements have been prepared on a going concern basis.

In May 2020, CPH entered into a two-year facility agreement totalling DKK 6.0 billion with a club of banks as well as waiver agreements with existing lenders, providing CPH with relief from certain loan covenants up to and including Q1 2021. This ensures that CPH will be able to continue to meet its financial and investment commitments. The waiver agreements require CPH to meet a liquidity covenant* with which CPH has complied during 2020.

While many countries have initiated comprehensive vaccination programmes that eventually are expected to lead to recovery of global travel, operational uncertainties for 2021 remain high. CPH will reduce all operational costs and CAPEX in line with, and dependent on, the shape and timing of the recovery.

In 2020, CPH took significant actions with a positive effect on performance, including substantial cost reductions. Reductions of more than DKK 200 million related solely to external costs, excluding the effects of various government support packages. In addition, planned investments were reduced by approximately DKK 800 million. In August and November, CPH also implemented organisational adjustments to the activity level

* The liquidity covenant requires CPH to have liquidity in the form of cash, undrawn and available credit lines at least equal to the following 180 days of operating costs (excluding taxes), capital expenditure and debt services.

expected for the foreseeable future. These adjustments will reduce yearly operational costs for CPH by approximately DKK 500 million.

Despite the actions taken, it is highly likely that CPH risks being in breach of EBITDA-based covenants when tested in June 2021. Consequently, CPH has initiated negotiations with existing lenders to extend the waiver agreements. Based on informal indications, management expects to have new waiver agreements in place during Q2 2021. In the unlikely event that waivers are not granted by lenders, management is confident that the debt market remains available, and credit institutions are expected to be willing to assist CPH through the crisis.

The impact of COVID-19 creates considerable uncertainty for the aviation industry. The need to seek waiver agreements indicates the existence of a material uncertainty that may cast significant doubt about CPH's ability to adopt a going concern basis of preparation for the financial statements. Management assesses that CPH will maintain sufficient liquidity over the next 12 months and, given the underlying credit quality of the business, can secure the necessary and timely support of its lenders, and that it is accordingly appropriate to adopt a going concern basis for the preparation of these financial statements. These financial statements do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the financial statements had not been prepared on a going concern basis.

Notes General

NOTE One-off items

1.4

Accounting policies

One-off items comprise revenue and expenses of a non-recurring and 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 related divestments that are materially important over time. Other amounts of a one-off nature are also included in this line item, including gains on the divestment of operations.

		2020			2019		
NOTE	DKK m	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	351.0	(0.9)	350.1	532.9	(4.0)	528.9
2.5	Staff costs	1,381.1	(150.4)	1,230.7	1,444.5	(13.1)	1,431.4
	EBITDA	201.2	151.3	352.5	2,370.1	17.1	2,387.2
3.1	Amortisation and depreciation	915.9	-	915.9	938.1	-	938.1
	Operating profit/(loss)	(714.7)	151.3	(563.4)	1,432.0	17.1	1,449.1
	Profit/(loss) from investments in associates after tax	(0.4)	-	(0.4)	-	-	-
	Profit/(loss) before interest and tax	(715.1)	151.3	(563.8)	1,432.0	17.1	1,449.1
4.1	Net financing costs	113.1	-	113.1	138.7	-	138.7
	Profit/(loss) before tax	(828.2)	151.3	(676.9)	1,293.3	17.1	1,310.4
2.6	Tax on profit/(loss) for the year	(190.1)	33.3	(156.8)	273.0	3.8	276.8
	Profit/(loss) after tax	(638.1)	118.0	(520.1)	1,020.3	13.3	1,033.6

Notes Results for the year

NOTE Segment information

2.1 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](#).

Aeronautical

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.

Notes Results for the year

NOTE 2.1 Segment information (continued)

DKKm	2020			2019		
	Business areas			Business areas		
	Aeronautical	Non-aeronautical	Total	Aeronautical	Non-aeronautical	Total
Revenue	695.4	880.3	1,575.7	2,415.2	1,930.5	4,345.7
Operating profit/(loss)	(1,174.8)	460.1	(714.7)	146.8	1,285.2	1,432.0
Non-current assets	9,961.5	3,903.8	13,865.3	9,669.6	3,716.4	13,386.0
Other assets	103.5	130.9	234.4	302.3	241.7	544.0
Investments in associates		75.0	75.0		0.4	0.4
Unallocated assets*			103.5			216.4
Total assets	10,065.0	4,109.7	14,278.2	9,971.9	3,958.5	14,146.8
Liabilities	798.0	377.9	1,175.9	806.1	540.3	1,346.4
Unallocated liabilities**			10,443.3			9,541.8
Total liabilities	798.0	377.9	11,619.2	806.1	540.3	10,888.2
Investments in fixed assets (including capitalised interest)	1,023.6	411.8	1,435.4	1,630.4	511.7	2,142.1
Amortisation and depreciation	697.2	218.7	915.9	732.3	205.8	938.1

* Unallocated assets include cash and financial assets.

** Unallocated liabilities include deferred taxes, borrowings from financial institutions and other loans, other long-term liabilities and income tax payable.

Notes Results for the year

NOTE Revenue

2.2

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 NO_x charge is included in take-off charges.

Concession revenue

Concession revenue comprises sales-related revenue from Copenhagen Airport'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.

DKKm	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
Sale of services, etc.		
Hotel operation	58.1	66.4
Other sale of services, etc.	133.1	290.2
Total sale of services, etc.	191.2	356.6
Total revenue	1,575.7	4,345.7

Notes Results for the year

NOTE
2.2 **Revenue (continued)**
Composition of revenue

	2020						2019					
	Aeronautical segment	Non-aeronautical segment				Total	Aeronautical segment	Non-aeronautical segment				Total
DKKm	Traffic revenue	Concession revenue*	Car parking	Rent*	Other services		Traffic revenue	Concession revenue*	Car parking	Rent*	Other services	
Total for segments	695.4	375.2	132.6	181.3	191.2	1,575.7	2,415.2	988.5	403.9	181.5	356.6	4,345.7
Time of recognition												
- At a certain time	695.4	-	132.6	-	-	828.0	2,415.2	-	403.9	-	-	2,819.1
- Over time	-	375.2	-	181.3	191.2	747.7	-	988.5	-	181.5	356.6	1,526.6
Total	695.4	375.2	132.6	181.3	191.2	1,575.7	2,415.2	988.5	403.9	181.5	356.6	4,345.7
Type of contract												
- Fixed-price	695.4	56.3	132.6	181.3	191.2	1,256.8	2,415.2	101.3	403.9	181.5	356.6	3,458.5
- Revenue-based	-	318.9	-	-	-	318.9	-	887.2	-	-	-	887.2
Total	695.4	375.2	132.6	181.3	191.2	1,575.7	2,415.2	988.5	403.9	181.5	356.6	4,345.7

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

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

Notes Results for the year



NOTE 2.2 Revenue (continued)

DKKm	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

NOTE 2.3 Other income

DKKm	2020	2019
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.

Notes Results for the year

NOTE External costs

2.4

Accounting policies

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

DKKm	2020	2019
Operation and maintenance	228.2	350.7
Energy	70.7	90.4
Administrative expenses	23.8	67.2
Other	28.3	24.6
Total external costs	351.0	532.9

External costs decreased by DKK 181.9 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 1.4](#) for an overview of one-off items.

NOTE Staff costs

2.5

Accounting policies

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

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

DKKm	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 account	115.9	160.2
Total staff costs	1,381.1	1,444.5

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.

Notes Results for the year

NOTE 2.5 Staff costs (continued)

DKKm	2020	2019
Remuneration to the Executive Management		
Cash remuneration to the Executive Management, including pension contributions, company car, etc.	6.9	6.9
Provision for short-term incentive plan, see below	2.3	3.0
Provision for long-term incentive plan, see below	0.7	2.5
Total	9.9	12.4
Remuneration to the Board of Directors*		
Lars Nørby Johansen	1.0	1.0
Marlene Haugaard**	0.1	0.3
Janis Kong	0.3	0.3
Betina Hvolbøl Thomsen	0.3	0.3
Jesper Bak Larsen**	0.0	0.1
John Flyttov	0.3	0.3
Dan Hansen	0.3	0.3
Total	2.3	2.6
Remuneration to the Audit and Risk Management Committee*		
Janis Kong	0.2	0.2
Total remuneration to the Board of Directors	2.5	2.8
Total remuneration to the Board of Directors and the Executive Management	12.4	15.2
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

* The rest of the Board members decided to renounce their remuneration.

** Marlene Haugaard and Jesper Bak Larsen resigned from the Board in 2020.

Employer-administered pension contributions accounted for DKK 1.1 million (2019: DKK 1.1 million) of the salaries paid to members of the Executive Management.

The remuneration to the Executive Management consists of a fixed basic salary (including pension contributions), certain benefits (free company car, etc.) and an incentive plan, which is described below. In the event of termination of employment by CPH, the members of the Executive Management are entitled to a maximum of two years' remuneration.

In order to promote a sound long-term approach, a rolling three-year incentive plan has been introduced for the Executive Management. For 2020, the total costs expensed for the long-term incentive plan were DKK 0.7 million (2019: DKK 2.5 million). Payments from the three-year incentive plan has a target level of four months' and a maximum of six months' salary per annum. The short-term incentive plan has terms of up to one year. The short-term incentive plan has a target level of six months' salary, if all stretched objectives are met, and a maximum of nine months' salary. For 2020, the total accrued costs for the short-term incentive plan were DKK 2.3 million (2019: DKK 3.0 million).

The total remuneration in 2020 to members of the Executive Management was DKK 9.9 million (2019: DKK 12.4 million), including a provision of DKK 0.7 million for a potential payout under the long-term incentive plan (2019: DKK 2.5 million) and a provision of DKK 2.3 million for the short-term incentive plan (2019: DKK 3.0 million). Pension contributions for members of the Executive Management are paid regularly to private pension companies. CPH has no liabilities in this respect.

Remuneration to the Board of Directors and Executive Management in 2020 was paid in accordance with the "General guidelines for remuneration to the Board of Directors and the Executive Management of Copenhagen Airports A/S". Key management consists of the Executive Management.

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

In 2020, CPH incurred one-off costs of DKK 150.4 million (2019: DKK 13.1 million), primarily related to restructuring, including redundancy payments. See [note 1.4](#) for an overview of one-off items.

Notes Results for the year

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

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

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

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

DKKm	2020	2019
Tax expense		
Current income tax	0.4	272.3
Change in deferred tax	(178.9)	20.0
Total	(178.5)	292.3
Tax is allocated as follows:		
Tax on profit/(loss) for the year	(190.1)	273.0
Tax on other comprehensive income related to hedging instruments	11.6	19.3
Total	(178.5)	292.3

Notes Results for the year

NOTE 2.6 Tax on profit/(loss) for the year (continued)

DKKm	2020	2019
Breakdown of tax on profit/(loss) for the year		
Tax calculated at 22.0% of profit/(loss) before tax	(182.2)	284.5
Tax effect of:		
Non-deductible costs, including effect of interest limitation, etc.	(7.9)	(11.5)
Total	(190.1)	273.0
Provisions for deferred tax		
Balance at 1 January	1,035.2	1,015.2
Change in deferred tax	(178.9)	20.0
Balance at 31 December	856.3	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	(186.2)	-
Total	856.3	1,035.2

DKKm	2020	2019
Income tax payable		
Balance at 1 January	116.3	200.4
Tax paid on account in current year	(0.4)	(156.2)
Payment of tax underpaid in previous year	(116.3)	(200.2)
Current income tax	0.4	272.3
Balance at 31 December	-	116.3

Since 1 July 2012, Copenhagen Airports A/S has had a secondary liability for the tax liabilities of the Danish holding companies, which hold 59.4% of the shares in the Company. This liability is limited to 59.4% of tax liabilities payable on or after 1 July 2012.

In 2020, CPH incurred one-off tax items of DKK 33.3 million (2019: DKK 3.8 million). See [note 1.4](#) for an overview of one-off items.

Notes Investments

NOTE 3.1 Amortisation and depreciation

Accounting policies

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

DKKm	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.

NOTE 3.2 Intangible assets

Accounting policies

Software is measured at cost less accumulated amortisation.

Major projects in which software is the principal element are recognised as assets if there is sufficient certainty that the capitalised value of future earnings will cover the related costs.

Software costs comprise salaries, amortisation and other costs that can be attributed directly or indirectly to the software. Costs also include interest expenses incurred during development of the software.

Software projects that are clearly defined and identifiable, where the technical rate of utilisation, adequate resources and potential scope for development in the Group can be demonstrated, and where the intention is to produce and use the project, are recognised as non-current intangible assets, provided there is sufficient assurance that the value in use from future earnings will cover development costs.

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

Impairments

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

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

Estimates and judgements

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

Notes Investments



NOTE 3.2 Intangible assets (continued)

DKKm	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.

Notes Investments

NOTE 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.

Notes Investments

NOTE **Property, plant and equipment (continued)**

3.3

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.

Impairment

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

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

Notes Investments

NOTE 3.3 Property, plant and equipment (continued)

DKKm	2020				Total
	Land and buildings*	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment under construction	
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 assets 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.

Notes Investments



NOTE 3.3 Property, plant and equipment (continued)

DKKm	2019				Total
	Land and buildings*	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment under construction	
Cost					
Accumulated cost at 1 January	8,498.6	8,228.9	1,985.6	1,893.0	20,606.1
Additions	-	-	-	2,051.1	2,051.1
Disposals	(248.7)	(127.6)	(39.1)	-	(415.4)
Transferred	948.0	488.2	277.7	(1,713.9)	-
Accumulated cost at 31 December	9,197.9	8,589.5	2,224.2	2,230.2	22,241.8
Depreciation					
Accumulated depreciation at 1 January	3,395.3	4,148.5	1,336.1	-	8,879.9
Depreciation	286.5	319.0	177.0	-	782.5
Depreciation on disposals	(248.7)	(127.6)	(39.1)	-	(415.4)
Accumulated depreciation at 31 December	3,433.1	4,339.9	1,474.0	-	9,247.0
Carrying amount at 31 December	5,764.8	4,249.6	750.2	2,230.2	12,994.8
Of which fixed assets for operational leasing	421.2	693.8	148.7	-	1,263.7

* See previous page.

Notes Investments

NOTE Subsidiaries and associates

3.4

Accounting policies

For a definition of subsidiaries and associates, 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

Associates

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

Notes Financing & financial risks

NOTE Financial income and expenses

4.1

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.

DKKm	2020	2019
Financial income		
Interest on other receivables	4.1	3.5
Exchange gains	5.9	3.6
Gain on sales of securities	0.7	-
Total financial income	10.7	7.1

Financial income increased by DKK 3.6 million, primarily due to higher interest on other receivables.

DKKm	2020	2019
Financial expenses		
Interest on debt to financial institutions and other loans, etc.	158.4	196.2
Capitalised interest expenses regarding assets under construction	(61.5)	(60.1)
Exchange losses	3.9	2.9
Other financing costs	15.8	1.9
Amortisation of loan costs	7.2	4.9
Total financial expenses	123.8	145.8

Financial expenses decreased by DKK 22.0 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, CPH uses currency swaps to hedge foreign currency loans (in this case USD only) 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.

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

Notes Financing & financial risks

NOTE Financial institutions and other loans

4.2

Accounting policies

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

DKKm	2020	2019
Financial institutions and other loans are recognised in the balance sheet as follows:		
Non-current liabilities	9,439.5	6,139.6
Current liabilities	147.5	2,248.7
Total	9,587.0	8,388.3

DKKm	1 January	Cash flow	Non-cash changes		31 December 2020
			Reclassification and loan costs	Foreign exchange movements	
Liabilities arising from financing activities					
Long-term loans	6,139.6	3,402.8	(3.9)	(99.0)	9,439.5
Short-term loans	2,248.7	(2,014.2)	-	(87.0)	147.5
Total	8,388.3	1,388.6	(3.9)	(186.0)	9,587.0

DKKm	1 January	Cash flow	Non-cash changes		31 December 2019
			Reclassification and loan costs	Foreign exchange movements	
Liabilities arising from financing activities					
Long-term loans	6,553.3	780.8	(1,219.6)	25.1	6,139.6
Short-term loans	631.2	361.0	1,222.1	34.4	2,248.7
Total	7,184.5	1,141.8	2.5	59.5	8,388.3

Notes Financing & financial risks

NOTE 4.2 Financial institutions and other loans (continued)

CPH had the following loans at 31 December:

DKKm	Loan	Currency	Fixed/floating	Maturity date	Carrying amount		Fair value*	
					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 million)**	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
	USPP bond loan	DKK	Fixed	27 Aug 2025	1,055.0	1,055.0	1,202.3	1,203.7
	USPP bond loan	USD	Fixed	29 Jun 2020	-	981.4	-	1,028.5
	USPP bond loan	USD	Fixed	22 Aug 2023	969.2	1,068.2	1,083.0	1,194.2
	USPP bond loan	GBP	Fixed	29 Jun 2020	-	201.6	-	212.8
	Total				9,619.0	8,416.4	10,121.6	9,089.2
	Loan costs for future amortisation				(32.0)	(28.1)	(32.0)	(28.1)
	Total				(32.0)	(28.1)	(32.0)	(28.1)
	Total				9,587.0	8,388.3	10,089.6	9,061.1

* See note 4.3 for a description of the method for determining the fair value of financial liabilities.

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

*** Funding for the expansion of Pier C.

**** Funding for the expansion of Copenhagen Airport, which is expected to be completed by the end of 2024.

The fixed-rate USPP bond loan of USD 160 million (2019: USD 307 million and GBP 23 million) was swapped to DKK on close of contract, both in terms of principal and interest payments, using currency swaps.

Notes Financing & financial risks

NOTE Financial risks

4.3

Accounting policies

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

Derivative financial instruments are initially recognised in the balance sheet at fair value on the transaction date under Other receivables and Other payables respectively.

Changes in the fair value of derivative financial instruments 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.

CPH's risk management policy

CPH'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

CPH's credit risks primarily relate to receivables, bank deposits, securities and derivative financial instruments.

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

CPH'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.

CPH's trading partners SAS, Norwegian and Gebr. Heinemann (the largest concessionaire), constitute the most significant concentration of credit risk. Gross receivables from the sale of services to these customers amounted to approximately 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.

Notes Financing & financial risks

NOTE **Financial risks (continued)**

4.3

Capital management

CPH'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 CPH's policy to comply with the loan covenants in its loan agreements. The Board of Directors and management ensure that the Company has a sound capital structure and, based on this, the financing policy is approved on an annual basis.

CPH, individually 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, subject to a maximum permitted amount. Furthermore, CPH has made a commitment to its lenders to comply with a number of other terms and conditions, including financial covenants. A number of CPH's agreements on loans and credit facilities may be terminated in the event of failure to comply with these terms and conditions. In May 2020, CPH obtained waivers for financial covenants covering the period until and including Q1 2021. Process for further extension of waivers for financial covenants has been initiated (Please refer to page 65). CPH complied with all applicable terms and conditions during 2020 and as at 31 December 2020. For information about dividend policy, see page 46.

Liquidity risk

In May 2020, CPH entered into a two-year facility agreement totalling DKK 6.0 billion with a club of banks as well as waiver agreements with existing lenders, relieving CPH of certain loan covenants until and including Q1 2021. This was done to ensure that CPH has adequate liquidity during the COVID-19 crisis. A rolling six-month forward liquidity covenant was granted.

CPH's liquid assets consist of cash totalling DKK 41.8 million (2019: DKK 19.2 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).

Throughout 2020, CPH complied with the liquidity covenant. From Q2 2021, CPH shall resume performance of the financial covenants obligations that have been waived by lenders. It is most likely that CPH risks being in breach of EBITDA-based covenants, for which reason CPH has made a request for extended waiver agreements. Please refer to page 65 for further details.

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 Financing & financial risks

NOTE 4.3 Financial risks (continued)

Maturity at 31 December, DKKm	2020				Fair value Level 2*	Carrying amount
	0-1 year	1-5 years	After 5 years	Total		
Recognised at amortised cost						
Financial institutions and other loans	316.0	7,394.2	2,659.9	10,370.1	10,121.6	9,619.0
Trade payables	407.2	-	-	407.2	407.2	407.2
Other payables	379.5	-	-	379.5	379.5	379.5
Total	1,102.7	7,394.2	2,659.9	11,156.8	10,908.3	10,405.7
Total financial liabilities	1,102.7	7,394.2	2,659.9	11,156.8	10,908.3	10,405.7
Recognised at amortised cost						
Cash	41.8	-	-	41.8	41.8	41.8
Trade receivables	156.5	-	-	156.5	156.5	156.5
Other receivables	35.1	-	-	35.1	35.1	35.1
Total	233.4	-	-	233.4	233.4	233.4
Recognised at fair value						
Derivative financial instruments	-	61.7	-	61.7	61.7	61.7
Total	-	61.7	-	61.7	61.7	61.7
Total financial assets	233.4	61.7	-	295.1	295.1	295.1

* 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 CPH'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.

Notes Financing & financial risks

NOTE 4.3 Financial risks (continued)

Maturity at 31 December, DKKm	2019				Fair value Level 2*	Carrying amount
	0-1 year	1-5 years	After 5 years	Total		
Recognised at amortised cost						
Financial institutions and other loans	2,620.1	2,077.9	4,411.8	9,109.8	9,089.2	8,416.4
Trade payables	640.5	-	-	640.5	640.5	640.5
Other payables	357.3	-	39.6	396.9	396.9	396.9
Total	3,617.9	2,077.9	4,451.4	10,147.2	10,126.6	9,453.8
Recognised at fair value						
Derivative financial instruments	2.0	-	-	2.0	2.0	2.0
Total	2.0	-	-	2.0	2.0	2.0
Total financial liabilities	3,619.9	2,077.9	4,451.4	10,149.2	10,128.6	9,455.8
Recognised at amortised cost						
Cash	19.2	-	-	19.2	19.2	19.2
Trade receivables	427.7	-	-	427.7	427.7	427.7
Other receivables	48.9	-	-	48.9	48.9	48.9
Total	495.8	-	-	495.8	495.8	495.8
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	576.4	116.6	-	693.0	693.0	693.0

* See previous page.

** The amount is included in Other receivables under current assets.

Notes Financing & financial risks

NOTE Financial risks (continued)

4.3

Market risks

Interest rate risks

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

The interest rate swap on the mortgage loan expired on 31 December 2019. Accordingly, there are no outstanding DKK interest rate swaps for mortgage loans at year-end (2019: DKK 0 million).

In order to reduce its overall interest rate sensitivity, CPH 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 CPH's loans at 31 December 2020 has been determined at approximately 6.0 years (2019: approximately 7.4 years).

61% of CPH's DKK loan portfolio is at a fixed rate (i.e. variable rate at 39%). Fluctuations in the interest rate level would therefore have only a relatively limited impact on CPH's income statement, given the outlook for future interest rate changes.

As the exchange rate and interest rate risk on debt denominated in USD (the GBP debt has been paid off during 2020) is hedged by USD/DKK interest rate swap, accounted for as a cash flow hedge, a change in interest rate levels would affect equity.

Sensitivity analysis of the current portfolio of swap contracts

DKKm	2020	2019
Effect on equity of:		
An increase in the DKK interest rate of 1 %-point	8.9	9.1
A decrease in the DKK interest rate of 1 %-point	(10.4)	(10.7)
An increase in the USD interest rate of 1 %-point	3.5	2.1
A decrease in the USD interest rate of 1 %-point	(3.9)	(2.5)
An increase in the GBP interest rate of 1 %-point	-	0.5
A decrease in the GBP interest rate of 1 %-point	-	(0.5)

Exchange rate risks

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

Currency swaps

Currency swaps have been used to hedge fixed-rate bond loans denominated in USD by swapping the exchange rate exposure on both interest and principal from fixed payments in USD 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 160 million (2019: USD 307 million and GBP 23 million). The carrying amount of the currency swap contracts was DKK 61.7 million (2019: DKK 195.2 million).

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.

Notes Other notes

NOTE Trade receivables

5.1

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.

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 million at 31 December 2020 (2019: DKK 427.7 million), DKK 57.9 million (2019: DKK 101.0 million) was covered by collateral security. The maximum credit risk is reflected in the carrying amount of the financial assets in the balance sheet.

DKKm	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

DKKm	2020			2019		
	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

Notes Other notes

NOTE 5.2 Other payables

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.

DKKm	2020	2019
Other payables – non-current		
Holiday pay, frozen due to the new Holiday Act	151.7	39.6
Balance at 31 December	151.7	39.6
Other payables – current		
Holiday pay and other payroll items	279.8	254.6
Interest payable	49.9	48.3
Cash flow hedge (USPP bond)	-	2.0
Other costs payable	49.8	52.4
Balance at 31 December	379.5	357.3
Total balance at 31 December	531.2	396.9

Other payables increased by DKK 134.3 million, primarily due to an increase in holiday pay and other payroll items due to the new Holiday Act, which covered holiday in the period from 1 September 2019 to 31 August 2020.

NOTE 5.3 Notes to the cash flow statement

DKKm	2020	2019
Received from customers		
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.		
Operating costs	(1,732.1)	(1,977.4)
Change in other receivables, etc.	713.2	15.6
Change in cost-related trade payables, etc.	(275.4)	(72.5)
Total	(1,294.3)	(2,034.3)
Interest received, etc.		
Realised exchange gains	5.1	3.7
Total	5.1	3.7
Interest paid, etc.		
Interest paid, etc.	(167.9)	(192.1)
Realised exchange losses	(0.4)	(0.2)
Other financial costs	(14.8)	(0.9)
Other interest expenses	(1.0)	(1.1)
Total	(184.1)	(194.3)

Notes **Other notes**

NOTE 5.4 Financial commitments

At 31 December 2020, CPH 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 2017, Petter Anker Stordalen and CPH entered into an agreement that Nordic Choice Hotels would assume management of the existing airport hotel from 1 April 2017. 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 CPH holding the remaining 53%. CPH retains control.

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

Debt to financial institutions is secured by mortgages on CPH's properties as described in [note 3.3](#).

CPH has a secondary liability for the tax liabilities of the Danish holding companies, which hold 59.4% of the shares in the Company. See [note 2.6](#) for additional information.

CPH 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.

NOTE 5.5 Related parties

CPH's related parties are the Danish Labour Market Supplementary Pension (ATP) and the Ontario Teachers' Pension Plan (OTPP), given their controlling ownership interests in CPH and an associate ([see note 3.4](#)), and the Board of Directors and Executive Management. See also [note 2.5](#) regarding remuneration to the Board of Directors and Executive Management.

ATP and OTPP (via their respective underlying holding companies) jointly own and control Copenhagen Airports Denmark ApS (CAD), company reg. (CVR) no. 29144249. CAD is indirectly controlled by Kastrup Airports Parent ApS (KAP), company reg. (CVR) no. 33781903, which is owned by ATP and OTPP.

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 Administration ApS, Frederiksborgvej 171, 3450 Allerød, Denmark.

CAD holds 59.4% of both the shares and voting rights in 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.

Notes **Other notes**

NOTE **Concession for airport operations and charges regulation**

5.6

Pursuant to section 55 of the Danish Air Navigation Act, special permission from the Minister of Transport 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, CPH received new certificates from the DTCA according to EU regulations. These certificates have been issued to CPH as aerodrome operator and replace the former technical approvals. The certificates are valid indefinitely.

The Minister of Transport may lay down regulations concerning the charges that may be levied on the use of an aerodrome ("charges regulation").

The charges regulation for CPH 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 if 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, CPH 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, CPH 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. Under 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 million over a three-year period) or the development in passenger numbers deviates from the forecast submitted by the DTCA during the charges negotiations (+/-1-2.5%).

Notes Other notes



NOTE 5.7 Fees to the auditors appointed at the Annual General Meeting

DKKm	2020	2019
Audit fee to PwC	1.4	1.2
Fees for assurance engagements other than audit	0.5	0.8
Tax advice	0.3	0.2
Non-audit services	0.1	0.3
Total audit fee	2.3	2.5

Fees for services other than statutory audit of the consolidated financial statements and the financial statements of the Parent Company provided to CPH by Pricewaterhouse-Coopers Statsautoriseret Revisionspartnerselskab amounted to DKK 0.8 million (2019: DKK 1.3 million) and mainly related to review of non-financial statements, accounting advice and tax assistance.

NOTE 5.8 Post-balance sheet events

No material events have occurred subsequent to the balance sheet date.

NOTE 5.9 Capital and EPS

DKKm	2020	2019
EPS =		
Net profit/(loss) for the year	(638.1)	1,020.3
Number of outstanding shares (thousands)	7,848.0	7,848
EPS (diluted) =		
Net profit/(loss) for the year	(638.1)	1,020.3
Average number of outstanding shares, fully diluted (thousands)	7,848.0	7,848

Notes Other notes

NOTE 5.10 Definitions of key financial figures

Asset turnover rate	Revenue divided by average operating assets
Cash earnings per share (CEPS)*	Net profit/(loss) for the year plus amortisation and depreciation divided by average number of shares
Earnings per share (EPS)	Net profit/(loss) for the year divided by average number of shares
Equity ratio	Equity at year-end as a percentage of total assets at year-end
EBITDA index	Cash flow from operating activities before financial items and tax divided by EBITDA
EBITDA margin	Operating profit/(loss) adjusted for amortisation and depreciation as a percentage of revenue
EBIT margin	Operating profit/(loss) as a percentage of revenue
Leverage ratio	Net interest-bearing debt divided by EBITDA
Net asset value per share	Equity at year-end divided by number of shares at year-end
NOPAT margin*	Net profit/(loss) for the year adjusted for net financial expenses after tax and changes in deferred tax for the year divided by revenue
Payout ratio	Dividend divided by net profit/(loss) for the year
Return on assets	Operating profit/(loss) as a percentage of average operating assets
Return on equity	Net profit/(loss) for the year divided by average equity
ROCE*	EBIT divided by average equity plus non-current liabilities and current interest-bearing debt
Turnover rate of capital employed*	Revenue divided by average assets plus average non-current liabilities and current interest-bearing debt

The definitions of key financial figures are defined and calculated in accordance with the Danish Finance Society's online version of "Recommendations & Financial ratios", except those marked *, which it does not include.

Consolidated non-financial statements

(unaudited)

Corporate responsibility ESG & KPI overview

NOTE		Unit	Target 2023	2020	2019	2018	2017	2016
Environment								
Copenhagen Airport, Kastrup:								
2	Carbon emissions, scope 1	tonnes		2,021	2,876	3,131	3,000	3,297
2	Carbon emissions, scope 2	tonnes		19,681	24,137	25,839	24,885	26,341
2	Carbon emissions, scope 3	tonnes		126,833	347,882	357,603	341,318	353,524
3	Carbon emissions per passenger	kg CO ₂ per passenger	Max. 0.75	3.02	0.89	0.96	1.00	1.01
3	Energy consumption per m ²	kWh/m ²	Max. 90 kWh/m ²	68	80	89	84	N/A
3	Share of renewable energy	%	At least 10	0.89	0.24	0.24	0.23	0.22
3	Share of UGG airport vehicles	%	At least 90	75	70	59	57	55
4	Waste recycling rate (for waste from daily operations in terminal areas, service areas and administration at CPH)	%	At least 60	25	27	21	28	25
Copenhagen Airport, Roskilde:								
5	Carbon emissions, scope 1	tonnes		151	189	177	178	203
5	Carbon emissions, scope 2	tonnes		297	322	343	332	329
Social								
6	Average number of full-time employees	FTE	N/A	2,444	2,539	2,472	2,431	2,334
6	Average age	years	N/A*	47.3	46.1	45.7	45.2	44.9
7	Gender diversity	% women / % men	30/70**	34/66	35/65	35/65	35/65	35/65
8	Employee satisfaction	scale 0-100	82	N/A***	81	81	83	81
8	Rate of absence due to illness	%	4.4	4.2	5.3	5.0	4.6	5.1
8	Number of occupational injuries per million working hours at CPH	number	5.0	5.4	7.9	7.9	7.6	8.7
8	Number of occupational injuries per million working hours on CPH building sites	number	5.0	13.6	9.1	21.5	18.3	10.8
Governance								
9	Gender diversity, Board (elected by AGM)	% women / % men	33/67	17/83	33/67	33/67	33/67	17/83

* The target for age diversity is a 25% split across four age groups at all organisational levels. See [note 6](#) for further details.

** 2025 target.

*** The 2020 employee satisfaction survey was cancelled due to the coronavirus pandemic.



Notes Non-financial statements

NOTE

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8	Social - Number of occupational injuries per million working hours on CPH building sites.	107
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Notes Non-financial statements

NOTE 1 Summary of significant accounting policies

Basis of preparation of the non-financial statements

The non-financial statements are prepared in accordance with the statutory statements on corporate responsibility, the under-represented gender and board diversity in accordance with sections 99a, 99b and 107d of the Danish Financial Statements Act and constitute a detailed description of our corporate responsibility results achieved in 2020.

You can find information on our main CR results for the year on pages 27-40 and the notes on the following pages, which provide a status on relevant KPI figures and indicators.

CPH has supported the Ten Principles of the UN Global Compact regarding human rights, workers' rights, environment and anti-corruption since 2011. As a Global Compact signatory, CPH reports on activities undertaken to incorporate the principles in its strategy, operations and corporate culture. As part of these efforts, CPH also works to communicate the principles to its suppliers and business partners. Since 2017, CPH has focused on the UN's Sustainable Development Goals (SDG), initially as part of the updated CPH CR strategy, in which CPH started a process to determine which of the 17 SDGs and 169 sub-goals to select as future focus areas, and which goals would make sense and add value for CPH to engage in going forward. In 2019, CPH introduced ESG key figures, which will give us better insight into sustainable value creation by applying a common standard.

Materiality

It is CPH's responsibility to ensure that issues reported on are relevant to CPH's stakeholders and of material importance to our business both now and in the future.

As part of CPH's new business strategy, which places corporate responsibility more centrally in the day-to-day work and strategic initiatives, we implemented a reporting standard based on ESG key figures in 2019 and have continued to integrate the ESG recommendations from Nasdaq et al. in the non-financial statements in 2020. An update of our CR strategy was due in 2020 but was postponed to 2021 because of the corona crisis. Part of the update will involve revisiting the SDGs with a view to sharpening our efforts and integrating the goals more tightly in our business.

The selection of the data included in the non-financial reporting was made based on statutory requirements and management's annual evaluation of what is material to

report to CPH's stakeholders. Both short-term and long-term value creation are taken into account. Management's assessment is based on an evaluation of last year's integrated report for the Group, "Travelling towards the airport of the future", an assessment of compliance and materiality, and input and comments from relevant stakeholders and the consortium of owners.

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. The specific method of calculation used for each KPI is stated in the related accounting policy note. Historical data are adjusted only if a change accounts for more than 2% of the consolidated figure, in which case the reason is disclosed in a note.

Changes relative to 2019

To further integrate the ESG recommendations and align with the new reporting requirement on diversity, we have implemented the following KPIs and indicators in the 2020 non-financial statements:

- Total gender diversity at all organisational levels
- Gender diversity at employee level and managerial level
- Average number of full-time employees
- Average age
- Age split in four age categories for employees and managers respectively

Delimitation

The Group Financial Statements 2020 form CPH's statutory annual reporting. For additional information regarding corporate responsibility work at CPH, please see the website www.cph.dk/en. The Group Financial Statements 2020 Communication on Progress (COP report) to the UN Global Compact.

Basis of consolidation

The Annual Report includes reporting for the entire Group with respect to non-financial data and disclosures. Companies are consolidated into or eliminated from reporting with effect from the date when they are controlled by or no longer controlled by CPH, as the case may be.

Notes Non-financial statements

NOTE Environment

2

Accounting policy

The volume of carbon emissions (scope 1) is calculated based on the consumption of natural gas, fuel for vehicles and diesel generators, and emission factors for the individual sources of carbon. Emission factors for sources of carbon are provided by the Danish Energy Authority. For natural gas, a rolling average for the five calendar years immediately preceding the reporting year is used.

The volume of carbon emissions (scope 2) is calculated based on the consumption of power and district heating and emission factors for the individual sources of carbon. Emission factors are provided by the utility companies CTR (Centralkommunernes Transmissionsselskab I/S) for district heating and Energinet for power. A rolling average for the five calendar years immediately preceding the reporting year is used.

The calculation of indirect carbon emissions (scope 3) is based on the number of aircraft operations, tenants' energy consumption, distribution of passengers by means

of transport (car, taxi, bus, train and metro) as well as several vehicles for the transport of goods. Based on materiality, figures for the smallest sources are primarily based on assumptions. The determination is limited to the island of Amager and, with respect to flights, to operations below an altitude of 3,000 feet. It is also limited by source to utilities and transportation.

The annual effect of energy efficiency measures is calculated. The annual energy savings are calculated in MWh. The savings are calculated/certified by an external firm that complies with the Danish Energy Agency's Code of Conduct.

Energy consumption is calculated based on the consumption of power, district heating, natural gas, and fuel for vehicles and diesel generators. The consumption is based on meter readings and invoices.

KPI, Environment	Unit	Target 2023	2020	2019	2018	2017	2016
Carbon emissions, scope 1	tonnes		2,021	2,876	3,131	3,000	3,297
Carbon emissions, scope 2	tonnes		19,681	24,137	25,839	24,885	26,341
Carbon emissions, scope 3	tonnes		126,833	347,882	357,603	341,318	353,524
Indicators							
Energy savings	MWh		11,611	5,023	7,164	6,850	4,588
Energy consumption	MWh		67,169	85,667	89,202	82,310	92,457

Natural gas consumption in 2020 totalled 315,695 m³, down 7% from 338,009 m³ in 2019. The decrease can mainly be attributed to limited heating of hot water. In addition, another heat pump was installed at Varmecentral Vest, which is why heating is being generated by electricity instead of natural gas. This heat pump was only installed at the end of 2020, otherwise the change would have been greater. Moreover, there were 2,474 degree-days in 2020 compared to 2,613 in 2019, which has a significant impact on gas consumption. Source: <https://www.dmi.dk>

Total power consumption for the airport was down 20% in 2020, with CPH's power consumption for its own operations 12.5% lower than in 2019. The basic reason for this is the particularly low passenger numbers in 2020, which led to large parts of the shopping centre being closed. In addition, the ATES groundwater-cooling system and the heat pump facility on the coastal road helped to limit power consumption for cooling facilities elsewhere. The increase in second-quality water for cooling also had a positive impact on power consumption.

Total district heating purchased for the airport in 2020 was down 25%, with CPH's district-heating consumption 37% lower than in 2019. The reduction in heat consumption is mainly due to low passenger numbers, resulting in limited consumption for hot-water heating. Weather conditions in 2020 were largely consistent with 2019.

The level of activity is the sole reason for fluctuations in energy-saving measures carried out.

Another heat pump was installed at Magleby in 2020, resulting in significant energy savings.

CPH has also invested in new control systems for both the ATES groundwater-cooling system and the heat pumps on the coastal road, enabling greater use to be made of the power generated. This has been done by linking up CPH's district heating systems, to increase the capacity of the heat pumps during the summer half-year.

Notes Non-financial statements

NOTE Environment

3

Accounting policy

Carbon emissions per passenger are calculated based on scope 1 and scope 2 emissions of carbon divided by the total number of passengers at CPH (arriving and departing).

The share of renewable energy is calculated as the share of power produced by solar panel systems located at Copenhagen Airport as a percentage of CPH's total power consumption in the relevant year.

UGG (very low-emission equipment): All companies with vehicles in the airport area are asked to self-report once a year, with the turn of the year as the cut-off date. This involves preparing lists of their vehicles stating type of equipment, make, year, propellant (and indication of whether diesel vehicles have a particle filter) and the company's own assessment of whether the vehicle meets the UGG definition. This definition covers vehicles powered by electricity, by hybrid technology (in which combustion engines are used only as generators for electric motors (plug-in hybrid), by diesel with a closed

particle filter (approved by the Danish Transport Authority), or by a new technology that can document a clean exhaust, e.g. fuel cells or gas. In addition, random checks are made of new vehicles or in the event of suspected defects. The individual lists filed by the companies as well as the overall statement are confidential and kept on file by CPH. Based on the overall statement, a non-confidential "Green Equipment %" is calculated covering all self-reported vehicles.

Energy consumption by m² is stated as total CPH consumption per m². Energy consumption comprises power, natural gas and district heating.

The area of CPH's buildings in square metres is calculated using CPH's space management system, which is updated on a daily basis.

KPI, Environment	Unit	Target 2023	2020	2019	2018	2017	2016
Carbon emissions per passenger	kg CO ₂ per passenger	Max. 0.75	3.02	0.89	0.96	1.00	1.01
Share of renewable energy	%	At least 10	0.89	0.24	0.24	0.23	0.22
Share of UGG airport vehicles	%	At least 90	75	70	59	57	55
Energy consumption per m ²	kWh/m ²	Max. 90 kWh/m ²	68	80	89	84	N/A

CO₂ per passenger rose to 3.02 kg in 2020 from 0.89 kg in 2019 because of the massive decline in passenger numbers.

Production of power via solar cells at CPH increased by approximately 320% in 2020 because of the new solar panel systems installed at car park P3 and the head office at Lufthavnsboulevarden 6.

The fluctuations are explained by the level of activity regarding energy-saving measures, extreme weather conditions and access to areas in connection with the expansion of CPH.

We are still seeing a positive development in the share of very low-emission equipment. This is a result of efforts under the air quality programme, where vehicle criteria are set jointly with all key players at the airport.

Notes Non-financial statements

NOTE Environment

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Accounting policy

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 IIS and STENA Recycling.

The waste recipients must be approved by the municipality.

KPI, Waste & recycling	Unit	Target 2023	2020	2019	2018	2017	2016
Waste recycling rate (for waste from daily operations in terminal areas, service areas and administration at CPH)	%	Min. 60	25	27	21	28	25
Indicators							
Recycling	tonnes		515	1,440	1,134	1,354	1,211
Other recovery	tonnes		1,309	3,594	3,931	3,225	3,314
Disposal	tonnes		265	350	301	308	243
Total waste	tonnes		2,089	5,385	5,366	4,887	4,768

Fewer passengers in the terminals meant less waste: 2,089 tonnes in 2020 compared to 5,385 tonnes in 2019. However, the recycling rate decreased from 27% to 25%, the main reason being a changed mix in 2020 between recycling, other recovery and disposal. Compared to 2019, recycling and other recovery were reduced by 64%, while disposal was reduced by 24% only. Disposal of waste, which primarily comes from street cleaning, must be maintained even with low levels of passenger activity.



Notes Non-financial statements

NOTE 5 Environment (Roskilde Airport)

Accounting policy

The volume of carbon emissions (scope 1) is calculated based on the consumption of natural gas, fuel for vehicles and diesel generators, and emission factors for the individual sources of carbon. Emission factors for sources of carbon are provided by the Danish Energy Authority. For natural gas, a rolling average for the five calendar years immediately preceding the reporting year is used.

The volume of carbon emissions (scope 2) is calculated based on the consumption of power and emission factors for the individual sources of carbon. Emission factors are provided by Energinet for power. A rolling average for the five calendar years immediately preceding the reporting year is used.

The annual effect of energy efficiency measures is calculated. The annual energy savings are calculated in MWh. The savings are calculated/certified by an external firm in compliance with the Danish Energy Agency's Code of Conduct.

Direct energy consumption: CPH is responsible for purchasing energy for Roskilde Airport. Roskilde Airport's energy consumption is calculated as the quantity of natural gas purchased. Diesel consumption is adjusted for changes in inventory levels. Consumption is calculated based on the airport's own records, checked against invoices received.

Indirect energy consumption: CPH is responsible for purchasing energy for Roskilde Airport. Roskilde Airport's energy consumption is calculated as the quantity of energy purchased. Consumption is calculated based on the airport's own records, checked against invoices received.

KPI, Environment (Roskilde Airport)	Unit	Target 2023	2020	2019	2018	2017	2016
Carbon emissions, scope 1	tonnes		151	189	177	178	203
Carbon emissions, scope 2	tonnes		297	322	343	332	329
Indicators							
Energy savings	MWh		0	0	0	27	0
Energy consumption	MWh		1,387	1,574	1,529	1,569	1,634

The decrease in emissions can be explained by a small decrease in the amount of natural gas supplied due to weather conditions and the limited amount used for hot-water heating.

Roskilde Airport's energy consumption and CO₂ emissions are on par with 2019.

Notes Non-financial statements

NOTE Social

6

Accounting policy

Performance against this KPI is determined based on number of full-time employees in all departments and average age.

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.

The following age groups are used:

- 0-25 years
- 26-35 years
- 36-49 years
- 50-99 years

KPI, Social	Unit	Target 2023	2020	2019	2018	2017	2016
Average number of full-time employees	FTE	N/A	2,444	2,539	2,472	2,431	2,334
Average age	years	N/A	47.3	46.1	45.7	45.2	44.9
Indicators							
Total share, 0-25 years	%		2.1	3.9	4.1	3.8	3.7
Total share, 26-35 years	%		12.5	13.5	13.3	14.2	14.0
Total share, 36-49 years	%		40.0	41.6	43.6	45.7	48.0
Total share, 50-99 years	%		45.4	41.0	39.0	36.3	34.3
Average seniority	years		10.3	9.2	9.0	8.8	8.7

The average number of full-time employees declined to 2,444 in 2020 as a direct result of the measures taken by the company to counter the financial impact of the coronavirus pandemic.

The change in age diversity shows that the average age is going up, with the oldest group getting larger.

Notes Non-financial statements

NOTE Social

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Performance against this KPI is determined using gender diversity percentages for all full-time employees in all departments.

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.

KPI, Social	Unit	Target 2025	2020	2019	2018	2017	2016
Gender diversity	% women / % men	30/70	34/66	35/65	35/65	35/65	35/65
Indicators							
Gender diversity, % women (employees)	%	Min. 30	35	36	36	36	35
Gender diversity, % men (employees)	%	Min. 30	65	64	64	64	65
Gender diversity, % women (management)	%	Min. 30	25	27	28	30	30
Gender diversity, % men (management)	%	Min. 30	75	73	72	70	70

The diversity indicators are stable, with a small increase in men for both employees and management, since there was a slight over-representation of women in the two rounds of lay-offs. This is because most of the lay-offs were passenger-oriented divisions of CPH, where female employees were relatively more represented in the workforce.



Notes Non-financial statements

NOTE 8 Social

Accounting policy

CPH's annual engagement survey encourages all employees to respond to a number of statements regarding development, communication and collaboration, culture and values, psychological working environment and strategy. The engagement index score is the average for a number of statements that relate directly to employee satisfaction, motivation, individual well-being and teamwork.

All persons permanently employed at CPH, including long-term temps, were eligible to participate in the survey and were sent an e-mail on the subject. This did not include employees who had given or been given notice.

An employee's information is included in the consolidated figures from the date the employment contract is signed and until the employee is no longer on the payroll.

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

The number of occupational injuries at CPH 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 occupational injury frequency is stated as the number of occupational injuries with absence per million working hours.

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.

KPI, Working environment	Unit	Target 2023	2020	2019	2018	2017	2016
Employee satisfaction	scale 0-100	82	*N/A	81	81	83	81
Rate of absence due to illness	%	4.4	4.2	5.3	5.0	4.6	5.1
Number of occupational injuries per million working hours at CPH	number	5.0	5.4	7.9	7.9	7.6	8.7
Number of occupational injuries per million working hours on CPH building sites	number	5.0	13.6	9.1	21.5	18.3	10.8

* The 2020 employee satisfaction survey was cancelled due to the coronavirus pandemic.

Sickness absence and number of accidents at work with absence were significantly lower in 2020 because of the closure of the company for periods due to COVID-19.

The number of occupational injuries per million working hours on CPH building sites increased to 13.6 in 2020, while the underlying number of accidents at building sites with absence decreased from 11 in 2019 to 7 in 2020. This development was significantly impacted by reduced construction activities due to the corona crisis.

Notes Non-financial statements



NOTE Governance

9

Accounting policy

The KPI measures the share of women and men on the Board of Directors (elected by AGM).

KPI, Governance	Unit	Target 2023	2020	2019	2018	2017	2016
Indicators							
Gender diversity, Board (elected by AGM)	% women / % men	33/67	17/83	33/67	33/67	33/67	17/83

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.

Management statement & auditor's reports

Management's statement

The Group Annual Report – which according to section 149 of the Danish Financial Statements Act is an extract of the Company Annual Report – does not include the financial statements of the Parent Company, Københavns Lufthavne A/S. The financial statements of the Parent Company have been prepared as a separate publication available at www.cph.dk/en.

The financial statements of the Parent Company form an integral part of the full Annual Report. 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 contains the following Management's statement and auditor's report.

Management's statement

The Board of Directors and the Executive Management have today considered and approved the Annual Report of Københavns Lufthavne A/S for the financial year 1 January – 31 December 2020.

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and the Parent Company Financial Statements have been prepared in accordance with the Danish Financial Statements Act. Management's Review has been prepared in accordance with the Danish Financial Statements Act.

CPH's non-financial statements, which include social and environmental aspects, have been prepared in accordance with the specific accounting policies in this area.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Group and the Company, and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2020.

In our opinion, Management's Review 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.

CPH's non-financial statements, which include social and environmental aspects, have been prepared in accordance with relevant principles. The non-financial reporting represents a balanced and reasonable presentation of the Company's social and environmental performance.

We recommend that the Annual Report be adopted at the Annual General Meeting in Copenhagen, 26 April 2021.

Executive Management

Thomas Woldbye
CEO

Board of Directors

Lars Nørby Johansen
Chairman

David Stanton
Deputy chairman

Ulrik Dan Weuder
Deputy chairman

Charles Thomazi

Janis Kong

Martin Præstegaard

Betina Hvolbøl Thomsen

John Flyttov

Dan Hansen

Independent Auditor's Report

To the shareholders of Københavns Lufthavne A/S

Our 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 and cash flows for the financial year 1 January to 31 December 2020 in accordance with the Danish Financial Statements Act.

Our opinion is consistent with our Auditor's Long-form Report to the Audit Committee and the Board of Directors.

What we have audited

The Consolidated Financial Statements of Københavns Lufthavne A/S for the financial year 1 January to 31 December 2020 [pages 52-96](#) comprise the income statement and statement of comprehensive income, the balance sheet, the statement of changes in equity, the cash flow statement and the notes, including summary of significant accounting policies.

The Parent Company Financial Statements of Københavns Lufthavne A/S for the financial year 1 January to 31 December 2020 pages 118-131 comprise the income statement, the balance sheet, the statement of changes in equity and the notes, including summary of significant accounting policies.

Collectively referred to as the "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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code.

To the best of our knowledge and belief, prohibited non-audit services referred to in

Article 5(1) of Regulation (EU) No 537/2014 were not provided.

Appointment

Following the admission of the shares of Københavns Lufthavne A/S for listing on Nasdaq Copenhagen, we were first appointed auditors of Københavns Lufthavne A/S in 1995. We have been reappointed annually by shareholder resolution for a total period of uninterrupted engagement of 26 years including the financial year 2020.

Material uncertainty relating to going concern

We draw attention to [Note 1.3](#) in the Financial Statements, which indicates that the Company most likely risk being in breach of EBITDA-based debt covenants when testing in June 2021. This event, along with other matters as set forth in [Note 1.3](#), indicate that a material uncertainty exist that may cast significant doubt upon the Company's ability to continue as a going concern. Currently, it is uncertain whether commitments will be obtained to finance the operation and necessary investments in the coming year. However, it is Management's assessment that such commitments will be obtained which is why the Financial Statements have been prepared on the basis of going concern.

Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements for 2020. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Independent Auditor's Report (continued)

Key audit matters	How our audit addressed the key audit matters	Key audit matters	How our audit addressed the key audit matters
Recognition of revenue		Property, plant and equipment	
<p>Revenue comprises an aeronautical and a non-aeronautical segment. Revenue in the aeronautical segment comprises passenger, security, take-off and aircraft parking charges and other charges. Revenue in the aeronautical segment is recorded on the basis of various data sources that are integrated through automated and manual processes.</p> <p>Revenue in the non-aeronautical segment comprises concession income, rental income and parking charges. Concession income and rental income are recorded on the basis of contracts signed. The income is recorded through automated processes and partially through manual processes as regards revenue based contracts. Parking charges are recorded automatically upon leaving the parking area by means of parking barriers.</p> <p>We focused on this area because the large number of processes and transactions related to the various revenue streams involves a risk of misstatement of revenue recognition.</p> <p>Refer to note 2.2 in the Consolidated Financial Statement</p>	<p>We considered the appropriateness of the Company's accounting policies for revenue recognition of the various revenue streams, discussed the principles with Management and assessed compliance with applicable accounting standards.</p> <p>We gained an understanding of the Group's internal processes and controls and tested relevant controls on a sample basis. In this connection, we tested IT general controls related to the financial reporting, relevant automated application controls and manual controls.</p> <p>We performed substantive audit procedures regarding revenue through reconciliation of transactions with significant contracts and charges regulation etc.</p> <p>We performed data analysis including analysis of revenue transactions in order to identify transactions outside the ordinary transaction flows.</p>	<p>Property, plant and equipment account for more than 90% of the Group's total assets, and investments for the year amounted to DKK 1,360 million.</p> <p>The individual items of property, plant and equipment consist of a large number of transactions that are recorded through manual processes on a current basis. Investments through internal production and through the conclusion of agreements with contractors require robust control procedures and systems to ensure that the assets are recognised and measured accurately in the Financial Statements.</p> <p>A large part of property, plant and equipment are specialised and require considerable estimates by Management for the determination and reassessment of useful lives, which is done in cooperation with the Company's own specialists.</p> <p>We focused on this area due to the complexity and the considerable estimates made by Management in connection with the determination of useful lives.</p> <p>Refer to note 3.3 in the Consolidated Financial Statements.</p>	<p>We gained an understanding of the Group's internal controls and performed an evaluation and validation of these through test of relevant controls, including procedures ensuring the existence and correct recording of additions, transfers and disposals of property, plant and equipment.</p> <p>We evaluated Management's assessment of the useful lives of property, plant and equipment through analysis of the historical need for write-downs related to scrapped assets. Moreover, we obtained data on the historical useful lives of special airport specific facilities and compared these with Management's assessment of the useful lives of property, plant and equipment.</p> <p>We obtained overview of investments made by the Company for the most comprehensive investments, which primarily comprised, baggage facilities, the establishment of Pier E, the expansion of Terminal 2 and Terminal 3, and the expansion of the security area in order to assess the effect of the investments on the existing facilities.</p>

Independent Auditor's Report (continued)

Statement on Management's Report

Management is responsible for Management's Report, [pages 4-51](#).

Our opinion on the Financial Statements does not cover Management's Report, 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 Report and, in doing so, consider whether Management's Report is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Moreover, we considered whether Management's Report includes the disclosures required by the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Report 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 Statements Act. We did not identify any material misstatement in Management'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 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 in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement 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 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 or the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

Independent Auditor's Report (continued)

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Hellerup, 26 March 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR no 3377 1231

Brian Christiansen
State Authorised Public Accountant
mne23371

Søren Ørjan Jensen
State Authorised Public Accountant
mne33226

Limited assurance report of the independent auditor

To the Stakeholders of Københavns Lufthavne A/S

The Management of Københavns Lufthavne A/S engaged us to provide limited assurance on the consolidated non-financial statements stated in the Annual Report for the period 1 January to 31 December 2020.

Our conclusion

Based on the procedures we performed and the evidence we obtained, nothing came to our attention that causes us not to believe that the consolidated non-financial statements as stated on pages 97-108 are free of material misstatements and are prepared, in all material respects, in accordance with the accounting policies as stated on pages 100-108 of the Annual Report 2020.

This conclusion is to be read in the context of what we say in the remainder of our report.

What we are assuring

The scope of our work was limited to assurance over data in the consolidated non-financial statements in Københavns Lufthavne A/S Annual Report 2020.

Professional standards applied and level of assurance

We performed a limited assurance engagement in accordance with International

Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits and Reviews of Historical Financial Information', and, in respect of the greenhouse gas emissions, in accordance with International Standard on Assurance Engagements 3410 'Assurance engagements on greenhouse gas statements'. Greenhouse gas quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks; consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our independence and quality control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other ethical requirements founded on fundamental principles of integrity, objectivity, professional competence and

due care, confidentiality and professional behaviour. PwC applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. Our work was carried out by an independent multidisciplinary team with experience in sustainability reporting and assurance.

Understanding reporting and measurement methodologies

Data and information in the consolidated non-financial statements need to be read and understood together with the accounting policies on pages 100-108, which Management is solely responsible for selecting and applying. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

Work performed

We are required to plan and perform our work in order to consider the risk of material misstatement of the data. In doing so and based on our professional judgement, we:

- Made enquiries regarding methods, procedures and internal control as well as conducted selected interviews with data and reporting responsible personnel and checks to underlying documentation;
- Conducted analytical review of the data and trend explanations submitted for consolidation at Group level;
- Evaluated the evidence obtained.

Management's responsibilities

Management of Københavns Lufthavne is responsible for:

- Designing, implementing and maintaining internal controls over information relevant to the preparation of the consolidated non-financial statements on pages 97-108 that are free from material misstatement, whether due to fraud or error;
- Establishing objective accounting policies for preparing data;
- Measuring and reporting the consolidated non-financial statements based on the applied accounting policies; and
- The content of the consolidated non-financial statements for the period 1 January – 31 December 2020.

Limited assurance report of the independent auditor (continued)

Our responsibility

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the consolidated non-financial statements are free from material misstatement, and are prepared, in all material respects, in accordance with the accounting policies;
- Forming an independent conclusion, based on the procedures we have performed, and the evidence obtained; and
- Reporting our conclusion to the Stakeholders of Københavns Lufthavne A/S.

Hellerup, 26 March 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR no. 3377 1231

Søren Ørjan Jensen
State Authorised
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