

Interim report of Copenhagen Airports A/S (CPH) for the period 1 January – 30 September 2020

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The terms "Copenhagen Airports", "CPH", "the Group" and "the Company" are used synonymously for Copenhagen Airports A/S consolidated with its subsidiaries and associates.

The term "Copenhagen Airport" is used to refer to the airport at Copenhagen, Kastrup, owned by Copenhagen Airports A/S.

The term "YTD" is used to refer to year-to-date figures, and the term "FY" is used to refer to full-year figures.

INTERIM REPORT OF COPENHAGEN AIRPORTS A/S (CPH) FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2020

The Board of Directors has today approved the interim report for the period 1 January – 30 September 2020.

SUMMARY OF FIRST NINE MONTHS OF 2020

Some 6.7 million passengers passed through the terminals at Copenhagen Airports (CPH) in the first nine months of 2020, a decline of 71.3% from the year-earlier period. CPH continues to be hard hit by the knock-on effects of the coronavirus pandemic that took hold in March and locked down most of the world. Travel activity began to pick up over the summer period, but as the COVID-19 flared up again and travel restrictions were significantly tightened, the recovery in travel demand evaporated. In an effort to mitigate the decline in passenger revenue, CPH has taken measures to cut both investments and operating costs and in late August unfortunately had to let go of more than 600 positions in response to the significantly lower level of activity.

The dramatic drop in passenger numbers took a toll on CPH's results for the first nine months of the year. CPH derives most of its earnings from two main sources. One is traffic, which is driven by the number of departing passengers. The other is the shopping centre and the commercial activities, which have been severely reduced due to the low passenger numbers. This is severely impacting earnings, and CPH has used its bank facilities to keep the airport in operation since the COVID-19 outbreak, although CPH did make use of the government's support packages.

CPH generated a loss before tax of DKK 453.6 million for the first three quarters of 2020, compared with a profit before tax of DKK 1,065.3 million for the same period of 2019. The loss should be seen in light of the sharp decline in revenue from both the aeronautical and the non-aeronautical parts of CPH's business. Overall revenue came to DKK 1,325.0 million – a 59.8% decline from DKK 3,298.9 million for the first three quarters of 2019.

In May 2020, CPH entered a two-year facilities agreement totalling DKK 6.0 billion with a club of banks. Simultaneously, CPH entered into waiver agreements with existing lenders, providing CPH relief from certain loan covenants until and including Q1 2021. The new facility, the strong support from CPH's shareholders and the waiver agreements ensure that CPH will continue to be able to meet its financial and investment commitments in a foreseeable period.

Summer optimism was short-lived

CPH's financial performance is a reflection of the fact that large parts of the airport's activities were virtually at a standstill in March and the following months. Rows of parked aircraft, closed shops and deserted terminals were the new reality during the spring months. In mid-June, the European aviation authorities introduced new protective equipment, hygiene and social distancing guidelines for airport travellers and staff. At the same time, a number of European countries successfully contained the spread of COVID-19, prompting many countries to allow travel again.

While this led to increasing passenger numbers over the summer period, travel demand was still materially below normal levels. In the first week of June, there were scheduled flights to and from 18 destinations. By August, the number of destinations had gradually increased to around 100. The many destinations notwithstanding, passenger numbers during the three summer months were still down by 80-85% from the summer of 2019 due to significantly reduced frequencies within the routes offered. For the period January to September 2020, passenger numbers were down by 16.6 million – or 71.3% – from the year-earlier period.

In the third quarter, in response to COVID-19 flare-ups across the European continent, travel guidelines were tightened anew, triggering another sharp drop in passenger numbers. The hope shared across the industry of a gradual recovery of air traffic in the course of the second half of the year was extinguished as travel guidelines were tightened week after week. This affected not just CPH's core business at the airport, but the entire Danish tourism industry and had far-reaching implications for many people, who lost their jobs and income base. CPH has also had to let go of many highly skilled colleagues as a result of the crisis. At the end of August, CPH had to make the very difficult decision of initiating large redundancies. 625 full-time positions were cut through dismissals, elimination of vacant positions and voluntary resignations.

These job cuts in August reduced annual operating costs at the airport by about DKK 325 million, but due to notices of termination, only a limited proportion of these savings will feed through to 2020 results.

Additional cost measures due to dramatic drop in passenger traffic

In addition to the above-mentioned measures and as a result of the significant decline in passenger traffic in recent months, CPH has decided to launch further cost-saving initiatives. Among other things, this will be done by using the government's scheme for distribution of work as well as increasing supplementary training and upskilling of employees. In addition, it is expected that it will be necessary to do further redundancies. Together, the initiatives will provide an additional annual saving corresponding to approximately 325 full-time positions. However, the major part of these savings is expected to be found through the distribution of work scheme and education initiatives, and not redundancies.

Quick testing is key to restarting air traffic

However, cost reductions are not enough to turn the current red figures into black. A genuine restoration of air travel requires more fundamental measures, when the current COVID-19 flare-up is under control. For this reason, under the auspices of the government's restart teams, CPH has worked to establish a testing solution requiring passengers arriving in Denmark from countries categorised as red or orange to have a test that less than 30 minutes will provide them with an answer as to whether they have COVID-19. Such quick tests are currently being trialed at other European airports. It is the view of the CPH Board and management that implementation of a quick testing solution across the various countries that our airlines fly to and from, is key to the recovery of connectivity at CPH and the economic benefit that the wider aviation industry brings to global trade.

Sustainable transition has not lost momentum despite COVID-19

Despite the plummeting passenger numbers and the work to restore air traffic in the wake of the coronavirus pandemic, CPH has maintained its strong focus on the sustainable transition of aviation and CPH.

In the second quarter, under the auspices of the Climate Partnerships, CPH and the rest of the aviation industry presented the industry's recommendations for its sustainable transition. Shortly after, CPH and a number of other major Danish companies teamed up with the City of Copenhagen to launch the idea of establishing new facilities for the production of sustainable fuel in the Greater Copenhagen Area. The plan is for these facilities to produce sustainable fuel for lorries, ships and aircraft within a foreseeable future.

The partnership continued working on the project in the third quarter, applying for financial support from Innovation Fund Denmark which – in combination with a triple-digit amount in millions of Danish kroner from the participating companies – will lay the groundwork for the launch of the first stage of the project, which may be ready in 2023.

Furthermore, in the beginning of October a consortium led by CPH in collaboration with 14 other European partners and the Danish Technological Institute won an EU tender to create the sustainable airport of the future.

HIGHLIGHTS

- The number of passengers at Copenhagen Airport was 6.7 million in the first nine months of 2020, a 71.3% drop from the same period last year that was due to COVID-19. The number of locally departing passengers was 2.7 million (71.4% fewer than last year), while transfer and transit passengers numbered 0.6 million (73.1% fewer than last year).
- Revenue amounted to DKK 1,325.0 million (2019: DKK 3,298.9 million), a 59.8% decline from last year primarily due to the COVID-19.
- EBITDA was similarly affected and amounted to DKK 285.0 million (2019: DKK 1,847.0 million), corresponding to an 84.6% decline from last year.
- EBIT was a loss of DKK 366.4 million (2019: DKK 1,163.7 million profit), corresponding to a decrease of DKK 1,530.1 million.

- Net financing costs were DKK 11.2 million lower than last year primarily due to lower average interest rates.
- Profit before tax fell by DKK 1,518.9 million to a loss of DKK 453.6 million (2019: DKK 1,065.3 million profit).
- Capital investments were DKK 1,229.0 million in the first nine months of 2020 (2019: DKK 1,601.4 million). Investments in the first nine months of the year included the expansion of Terminal 3, the completion of Pier E, construction of a multi-storey car park, new baggage facilities, various IT systems as well as miscellaneous improvement and maintenance work.

OUTLOOK FOR 2020

The loss for the first nine months of 2020 should be seen in light of the sharp decline in revenue from both aeronautical and the non-aeronautical parts of CPH's business as a consequence of COVID-19. The small increase in traffic during the summer was short-lived and during the third quarter travel guidelines were tightened anew, triggering another sharp drop in passenger numbers. This was followed by further restrictions post the balance sheet date.

Based on year-to-date financial developments in 2020 and the prospects of very limited passenger traffic for the rest of the year, CPH expects a significant revenue drop relative to 2019. Given the cost of keeping the airport operational, CPH narrows the expectations and expects an overall loss after tax of DKK 550-700 million for 2020.

Continued focus on maintaining liquidity and organising operations more efficiently

Significant actions with positive effect on performance have been taken by the management in CPH including substantial cost reductions. In 2020, this has amounted to more than DKK 200 million related solely to external costs, excluding the effects of various government support packages. In addition, there are reductions in investments of somewhat DKK 700 million.

Furthermore, CPH has initiated adjustments in the organisation to the activity level expected for the foreseeable future, as described in the company announcement of 5 August 2020 as well as page four of this Q3 report. The right sizing of the organisation will have limited effect in 2020, but together the two adjustments will contribute to reduce the yearly operational costs for CPH by approximately DKK 500 million.

GROUP FINANCIAL HIGHLIGHTS AND KEY RATIOS

	Q3 2020	Q3 2019	YTD 2020	YTD 2019	2019
Income statement (DKK million)					
Revenue	390	1,199	1,325	3,299	4,346
<i>aeronautical revenue</i>	161	683	592	1,858	2,415
<i>non-aeronautical revenue</i>	229	516	733	1,441	1,931
EBITDA	28	715	285	1,847	2,370
<i>aeronautical EBITDA</i>	(137)	305	(246)	720	879
<i>non-aeronautical EBITDA</i>	165	410	531	1,127	1,491
EBIT	(204)	481	(366)	1,164	1,432
<i>aeronautical EBIT</i>	(318)	122	(754)	187	147
<i>non-aeronautical EBIT</i>	114	359	388	977	1,285
Net financing costs	22	33	87	98	139
Profit/(loss) before tax	(226)	448	(454)	1,065	1,293
Net profit/(loss)	(176)	345	(354)	820	1,020
Statement of comprehensive income (DKK million)					
Other comprehensive income	(5)	13	40	54	68
Comprehensive income	(181)	358	(314)	874	1,088
Balance sheet (DKK million)					
Property, plant and equipment	13,632	12,654	13,632	12,654	12,995
Financial investments	113	136	113	136	197
Total assets	14,631	13,886	14,631	13,886	14,147
Equity	2,945	3,045	2,945	3,045	3,259
Interest-bearing debt	9,342	8,307	9,342	8,307	8,388
Investment in property, plant and equipment	292	456	1,192	1,514	2,051
Investment in intangible assets	9	26	37	87	91
Cash flow statement (DKK million)					
Cash flow from operating activities	(19)	768	115	1,314	1,774
Cash flow from investing activities	(300)	(567)	(1,210)	(1,537)	(2,139)
Cash flow from financing activities	283	(194)	1,095	97	226
Cash at end of period	20	33	20	33	19
Key ratios					
EBITDA margin	7.1%	59.6%	21.5%	56.0%	54.5%
EBIT margin	(52.2%)	40.1%	(27.7%)	35.3%	33.0%
Asset turnover rate	0.11	0.35	0.12	0.33	0.33
Return on assets	(5.6%)	14.2%	(3.4%)	11.7%	10.7%
Return on equity	(23.2%)	46.3%	(15.2%)	35.7%	32.2%
Equity ratio	20.1%	21.9%	20.1%	21.9%	23.0%
Earnings per DKK 100 share	(22.4)	44.0	(45.1)	104.5	130.0
Cash earnings per DKK 100 share	7.0	73.8	37.9	191.6	249.5
Net asset value per DKK 100 share	375.2	388.0	375.2	388.0	415.2
NOPAT margin	(2.8%)	26.0%	(2.8%)	26.0%	26.0%
Turnover rate of capital employed	0.18	0.37	0.18	0.37	0.36
ROCE*	(0.8%)	12.4%	(0.8%)	12.4%	11.9%

* ROCE is calculated based on reported EBIT for the last four quarters.

MANAGEMENT'S FINANCIAL REVIEW

Performance – Q3 2020

Suffering a 71.3% drop in passenger numbers in the first nine months of 2020, Copenhagen Airport continues to be hard hit by the knock-on effects of the global coronavirus pandemic. Travel activity began to pick up over the summer period, but as COVID-19 flared up again and travel restrictions were significantly tightened, the recovery in travel demand evaporated. This impacted adversely on traffic revenue as well as shopping centre and parking revenue.

Consolidated loss before tax for the first nine months of 2020 was a loss of DKK 316.2 million (2019: profit of DKK 1,074.1 million), excluding one-off items of DKK 137.4 million, which primarily related to restructuring costs.

Performance compared to 2019

Consolidated revenue for the first nine months of 2020 amounted to DKK 1,325.0 million, a 59.8% decline from the year-earlier period. Aeronautical revenue amounted to DKK 592.1 million, which was 68.1% less than in the first nine months of 2019. The decline was primarily due to the decrease in passenger numbers caused by COVID-19. Non-aeronautical revenue amounted to DKK 732.9 million, which was 49.1% less than in the first nine months of 2019. Due to COVID-19, a majority of concessionaires in the restaurant and convenience segment, banks and specialty shops were closed late in the first quarter and in the second and third quarters of 2020. A partial reopening began in the third quarter of 2020.

Due to cost adjustments made and the effect of the Danish government's support packages, net operating costs including depreciation and amortisation and other income were reduced by a total of DKK 572.4 million relative to last year and amounted to DKK 1,554.0 million excluding one-off items. External costs decreased by DKK 123.6 million mainly due to the alignment of costs to the lower level of activity. Staff costs decreased by DKK 82.4 million primarily due to a decrease in headcount and less overtime. Other income includes DKK 327.4 million in compensation from the Danish government's support packages regarding wage and salary compensation and compensation for fixed costs. Depreciation and amortisation were down by DKK 31.9 million mainly due to lower write-offs of facilities related to capacity expansion projects.

EBITDA, excluding one-off items, amounted to DKK 422.4 million, which was 77.2% less than in the first nine months of 2019. EBITDA fell by 84.6% to DKK 285.0 million.

Net financing costs amounted to DKK 87.2 million, which was a decrease of DKK 11.2 million compared to the same period of 2019. This was mainly due to lower average interest rates.

Profit before tax, excluding one-off items, fell by DKK 1,390.3 million year on year to a loss of DKK 316.2 million. Profit before tax amounted to a loss of DKK 453.6 million.

DKK million	Q3				Year to date			
	2020	2019	Ch.	Ch. %	2020	2019	Ch.	Ch. %
Revenue	390.2	1,199.2	(809.0)	(67.5%)	1,325.0	3,298.9	(1,973.9)	(59.8%)
EBITDA	27.4	714.6	(687.2)	(96.2%)	285.0	1,847.0	(1,562.0)	(84.6%)
EBIT	(203.7)	480.8	(684.6)	-	(366.4)	1,163.7	(1,530.1)	-
Net financing costs	22.0	32.5	(10.5)	(32.4%)	87.2	98.4	(11.2)	(11.4%)
Profit/(loss) before tax	(225.7)	448.3	(674.0)	-	(453.6)	1,065.3	(1,518.9)	-

OTHER ITEMS IN THE INCOME STATEMENT

Net financing costs

DKK million	Year to date		
	2020	2019	Ch.
Interest	122.7	148.2	(25.5)
Capitalised interest expenses regarding assets under construction	(45.8)	(52.6)	6.8
Market value adjustments	(2.2)	-	(2.2)
Other financial costs	13.2	2.8	10.4
Gain on disposal of securities	(0.7)	-	(0.7)
Total	87.2	98.4	(11.2)

Net financing costs were DKK 11.2 million lower than in the same period in 2019.

Interest expenses decreased by DKK 25.5 million due to a lower average interest rates and the redemption of an interest rate swap in June of last year in connection with the early repayment of a loan.

Capitalised interest on assets under construction decreased by DKK 6.8 million primarily due to lower average interest rates that were partly offset by a higher level of assets under construction.

Other financial costs increased by DKK 10.4 million due to higher fees as a result of higher committed credit facilities.

Tax on profit for the period

Tax on profit for the period is recognised on the basis of estimated tax. As tax for the period was negative, a DKK 100.1 million tax asset has been recognised in the balance sheet.

CASH FLOW STATEMENT

DKK million	Year to date		
	2020	2019	Ch.
Cash flow from:			
Operating activities	115.4	1,314.1	(1,198.7)
Investing activities	(1,209.6)	(1,536.6)	327.0
Financing activities	1,095.0	96.8	998.2
Net cash flow for the period	0.8	(125.7)	126.6
Cash at beginning of year	19.2	159.1	(139.9)
Cash at the end of the period	20.0	33.4	(13.4)

Cash flow from operating activities

Developments in the cash flow from operating activities were primarily related to the drop in revenue resulting from COVID-19, which was partly offset by lower costs resulting from the reduced level of activity, the Danish government's support packages and lower tax payments.

Cash flow from investing activities

The cash flow from investing activities were primarily related to payments for investments in property, plant and equipment and intangible assets. Major investments in the first nine months of 2020 included the expansion of Terminal 3, the completion of Pier E, construction of a multi-storey carpark, new baggage facilities, various IT systems and miscellaneous improvement and maintenance work.

Cash flow from financing activities

The cash flow from financing activities primarily related to proceeds from new loans, partly offset by the repayment of three existing loans and amortisation of loans.

Cash and cash equivalents

CPH had cash and cash equivalents of DKK 20.0 million at 30 September 2020 (30 September 2019: DKK 33.4 million).

Financing

In May 2020, CPH entered into a two-year facility agreement totalling 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. At the same time, CPH entered into waiver agreements with existing lenders, providing CPH relief from certain loan covenants until and including Q1 2021. The new credit facility and the waiver agreements ensure that CPH will be able to continue to meet its financial and investment commitments.

INCOME STATEMENT

1 January - 30 September 2020			
	Including one-off items	One-off items	Excluding one-off items
DKK million			
Revenue	1,325.0	-	1,325.0
Other income	336.2	-	336.2
External costs	264.3	(0.8)	263.5
Staff costs	1,111.9	(136.6)	975.3
EBITDA	285.0	137.4	422.4
Amortisation and depreciation	651.4	-	651.4
Profit/(loss) before interest and tax	(366.4)	137.4	(229.0)
Net financing costs	87.2	-	87.2
Profit/(loss) before tax	(453.6)	137.4	(316.2)
Tax on profit for the period	(99.8)	30.2	(69.6)
Net profit/(loss) for the period	(353.8)	107.2	(246.6)

1 January - 30 September 2019			
	Including one-off items	One-off items	Excluding one-off items
DKK million			
Revenue	3,298.9	-	3,298.9
Other income	1.7	-	1.7
External costs	388.7	(1.6)	387.1
Staff costs	1,064.9	(7.2)	1,057.7
EBITDA	1,847.0	8.8	1,855.8
Amortisation and depreciation	683.3	-	683.3
Profit/(loss) before interest and tax	1,163.7	8.8	1,172.5
Net financing costs	98.4	-	98.4
Profit/(loss) before tax	1,065.3	8.8	1,074.1
Tax on profit for the period	244.9	1.9	246.8
Net profit/(loss) for the period	820.4	6.9	827.3

Q3 2020			
	Including one-off items	One-off items	Excluding one-off items
DKK million			
Revenue	390.2	-	390.2
Other income	115.8	-	115.8
External costs	69.4	-	69.4
Staff costs	409.1	(129.3)	279.8
EBITDA	27.5	129.3	156.8
Amortisation and depreciation	231.2	-	231.2
Profit/(loss) before interest and tax	(203.7)	129.3	(74.4)
Net financing costs	22.0	-	22.0
Profit/(loss) before tax	(225.7)	129.3	(96.4)
Tax on profit for the period	(49.7)	28.4	(21.3)
Net profit/(loss) for the period	(176.0)	100.9	(75.1)

Q3 2019			
	Including one-off items	One-off items	Excluding one-off items
DKK million			
Revenue	1,199.2	-	1,199.2
Other income	1.0	-	1.0
External costs	133.8	(0.7)	133.1
Staff costs	351.8	(3.5)	348.3
EBITDA	714.6	4.2	718.8
Amortisation and depreciation	233.8	-	233.8
Profit/(loss) before interest and tax	480.8	4.2	485.0
Net financing costs	32.5	-	32.5
Profit/(loss) before tax	448.3	4.2	452.5
Tax on profit for the period	103.1	0.9	104.0
Net profit/(loss) for the period	345.2	3.3	348.5

Segment reporting

CPH has chosen to present its operating and financial performance for the period based on its segmental division.

CPH's income statement, statement of comprehensive income, balance sheet, cash flow statement, statement of changes in equity and notes to the financial statements for the period 1 January – 30 September 2020 appear on pages 14-23.

Segment revenue and profit

Year to date DKK million	Revenue				Profit/(loss) before interest and tax			
	2020	2019	Ch.	Ch. %	2020	2019	Ch.	Ch. %
Aeronautical	592.1	1,858.0	(1,265.9)	(68.1%)	(754.3)	186.9	(941.2)	-
Non-aeronautical	732.9	1,440.9	(708.0)	(49.1%)	387.9	976.8	(588.9)	(60.3%)
Total	1,325.0	3,298.9	(1,973.9)	(59.8%)	(366.4)	1,163.7	(1,530.1)	-

AERONAUTICAL SEGMENT

DKK million	Q3				Year to date				FY
	2020	2019	Ch.	Ch. %	2020	2019	Ch.	Ch. %	2019
Revenue	160.9	683.3	(522.4)	(76.4%)	592.1	1,858.0	(1,265.9)	(68.1%)	2,415.2
Profit/(loss) before interest (EBIT)	(317.7)	122.0	(439.7)	-	(754.3)	186.9	(941.2)	-	146.8
Segment assets					10,281.1	10,144.6	136.5	1.3%	9,971.9

Passengers

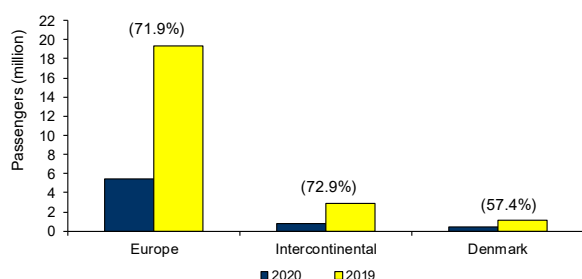
The total number of passengers fell by 81.2% in the third quarter of 2020. Traffic was negatively affected by COVID-19, with traffic declining from the end of February, and the effects of closed national borders were clearly reflected in fewer travellers in the first nine months of 2020 compared to the same period in 2019.

The total number of passengers travelling through Copenhagen Airport in the first nine months of 2020 was 6.7 million, equivalent to a decrease of 71.3% compared to the same period in 2019. There were 2.7 million locally departing passengers (71.4% drop from last year) and 0.6 million transfer passengers (73.1% drop from last year).

The total seat capacity fell by 62.1% in the first nine months of 2020. The number of passenger-related operations decreased by 61.5%. The average cabin factor (occupancy) decreased by 25.6% to 56.0% in the first nine months of 2020.

Locally departing passengers accounted for 81.3% of all departing passengers, with transfer passengers making up 18.7%.

Total number of passengers (arriving and departing) and growth by market in the first nine months of 2020



For further comments on traffic performance, please see the most recent traffic statistics (for September 2020).

Revenue

DKK million	Year to date			
	2020	2019	Ch.	Ch. %
Passenger charges	243.1	860.4	(617.3)	(71.7%)
Security charges	134.5	471.5	(337.0)	(71.5%)
Handling	44.5	147.5	(103.0)	(69.8%)
CUTE charges	5.3	19.6	(14.3)	(73.0%)
Take-off charges	139.4	329.5	(190.1)	(57.7%)
Aircraft parking, etc.	25.3	29.5	(4.2)	(14.3%)
Total	592.1	1,858.0	(1,265.9)	(68.1%)

Overall aeronautical revenue fell by DKK 1,265.9 million, or 68.1%, due to COVID-19 and the year-on-year drop in activity it caused from the end of February.

Passenger charges amounted to DKK 243.1 million, a 71.7% decline from last year. Security, handling, and CUTE charges amounted to DKK 184.3 million, corresponding to a 71.1% decline from last year due to COVID-19.

Take-off charges amounted to DKK 139.4 million, which was a 57.7% drop from the year-earlier period. The change was due to fewer flight operations resulting from COVID-19. Passenger-related operations fell by 61.5%, while cargo operations were up by 3.3% due to an ongoing demand for cargo. In addition, the take-off weight for passenger-related operations was down by 63.1%, while the take-off weight for cargo operations increased by 24.7%.

Profit/(loss) before interest (EBIT)

EBIT decreased by DKK 941.2 million, mainly due to a decrease in revenue caused by the lockdown in Denmark imposed due to the COVID-19.

NON-AERONAUTICAL SEGMENT

DKK million	Q3				Year to date				FY 2019
	2020	2019	Ch.	Ch. %	2020	2019	Ch.	Ch. %	
Revenue	229.2	515.9	(286.7)	(55.6%)	732.9	1,440.9	(708.0)	(49.1%)	1,930.5
Profit/(loss) before interest (EBIT)	114.1	358.9	(244.8)	(68.2%)	387.9	976.8	(588.9)	(60.3%)	1,285.2
Segment assets					4,117.0	3,572.6	544.4	15.2%	3,958.1

Revenue

Concession revenue

DKK million	Year to date			
	2020	2019	Ch.	Ch. %
Shopping centre	313.0	687.0	(374.0)	(54.4%)
Parking	114.0	307.6	(193.6)	(62.9%)
Other revenue	26.4	54.6	(28.2)	(51.7%)
Total	453.4	1,049.2	(595.8)	(56.8%)

Generally, all concession, parking and other revenue was impacted by the sharp drop in activity resulting from COVID-19

Concession revenue from the shopping centre amounted to DKK 313.0 million in the first nine months of 2020, corresponding to a 54.4% decline compared to the same period of last year. Due to COVID-19, a majority of the concessionaires in the restaurant and convenience segment, banks and specialty shops were closed in the first quarter and the second and third quarters of 2020. A partial reopening began in the third quarter of 2020.

Revenue from parking fell by 62.9%, mainly due to a decrease in locally departing passengers.

Other revenue amounted to DKK 26.4 million, which was 51.7% less than last year, mainly due to a decrease in the number of car rentals and lower advertising revenue.

Rent

DKK million	Year to date			
	2020	2019	Ch.	Ch. %
Rent from premises	95.0	92.8	2.2	2.4%
Rent from land	38.3	38.5	(0.2)	(0.5%)
Other rent	4.2	4.0	0.2	3.8%
Total	137.5	135.3	2.2	1.6%

Income from the rent of premises increased by 2.4%. Income from the rent of land and other rental income was on par with 2019.

Sales of services etc.

DKK million	Year to date			
	2020	2019	Ch.	Ch. %
Hotel operation	44.0	49.7	(5.7)	(11.4%)
Other	98.0	206.7	(108.7)	(52.6%)
Total	142.0	256.4	(114.4)	(44.6%)

Revenue from the sales of services, etc. decreased by DKK 114.4 million, corresponding to a decrease of 44.6%. This was mainly due to a 34.9% decline in revenue from PRM driven by lower passenger numbers and less invoicing of other services due to the lower level of activity and the closing of parts of the airport.

Profit before interest (EBIT)

EBIT was down DKK 588.9 million compared to the same period of last year, mainly driven by lower revenue as a result of the lockdown in Denmark imposed due to COVID-19.

RISKS AND UNCERTAINTIES

Other than as stated elsewhere in this interim report, no material changes have occurred in the short-term risks and uncertainties to which CPH is subject, compared to the information provided in the 2019 Annual Report.

Forward-looking statements – risks and uncertainties

This interim report contains forward-looking statements as described in the US Private Securities Litigation Act of 1995 and similar acts of other jurisdictions. In particular, this includes statements concerning future revenue, operating profit, business expansion and capital investments.

Such statements are subject to risks and uncertainties, as various factors, many of which are beyond CPH's control, may cause actual results and performance to differ materially from the forecasts provided elsewhere in this interim report.

Such factors include general economic and business conditions, changes in exchange rates, demand for CPH's services, competitive factors within the aviation industry and operational matters in one or more of the Group's businesses. See Risk Management and Risks on pages 47-48 of the 2019 Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS**INCOME STATEMENT**

DKK million	Q3		Year to date	
	2020	2019	2020	2019
Traffic revenue	160.9	683.3	592.1	1,858.0
Concession revenue	136.1	381.8	453.4	1,049.2
Rent	53.3	46.0	137.5	135.3
Sale of services, etc.	39.9	88.1	142.0	256.4
Revenue	390.2	1,199.2	1,325.0	3,298.9
Other income	115.8	1.0	336.2	1.7
External costs	69.4	133.8	264.3	388.7
Staff costs	409.1	351.8	1,111.9	1,064.9
Amortisation and depreciation	231.2	233.8	651.4	683.3
Operating profit	(203.7)	480.8	(366.4)	1,163.7
Financial income	4.6	1.7	8.3	5.1
Financial expenses	26.6	34.2	95.5	103.5
Profit/(loss) before tax	(225.7)	448.3	(453.6)	1,065.3
Tax on profit/(loss) for the period	(49.7)	103.1	(99.8)	244.9
Net profit/(loss) for the period	(176.0)	345.2	(353.8)	820.4
Earnings per DKK 100 share (basic and diluted) EPS is stated in Danish kroner	(22.4)	44.0	(45.1)	104.5

STATEMENT OF COMPREHENSIVE INCOME

DKK million	Q3		Year to date	
	2020	2019	2020	2019
Net profit/(loss) for the period	(176.0)	345.2	(353.8)	820.4
Items that are reclassified to the income statement				
Currency translation of equity in foreign branch	(1.3)	0.5	(2.6)	(0.2)
Value adjustments of hedging instruments	(52.0)	110.0	(83.0)	176.5
Value adjustments of hedging instruments transferred to financial income and expenses in the income statement	47.3	(93.9)	137.6	(107.1)
Tax on other comprehensive income	1.0	(3.4)	(12.0)	(15.3)
Other comprehensive income for the period	(5.0)	13.2	40.0	53.9
Total comprehensive income for the period	(181.0)	358.4	(313.8)	874.3

BALANCE SHEET

Assets		30 Sept	31 Dec	30 Sept
Note	DKK million	2020	2019	2019
NON-CURRENT ASSETS				
Total intangible assets		332.1	391.2	446.3
Property, plant and equipment				
	Land and buildings	5,633.6	5,764.8	5,681.3
	Plant and machinery	4,360.3	4,249.6	4,230.4
	Other fixtures and fittings, tools and equipment	711.5	750.2	736.7
2	Property, plant and equipment under construction	2,926.1	2,230.2	2,005.5
Total property, plant and equipment		13,631.5	12,994.8	12,653.9
Financial investments				
	Investments in associates	0.4	0.4	0.4
	Other financial assets	112.2	116.6	135.1
Total financial assets		112.6	117.0	135.5
Total non-current assets		14,076.2	13,503.0	13,235.7
CURRENT ASSETS				
Receivables				
	Trade receivables	290.5	427.7	449.8
	Other receivables	51.8	129.5	136.4
	Deferred income tax assets	100.1	-	-
	Prepayments	92.3	67.4	30.8
Total receivables		534.7	624.6	617.0
Cash		20.0	19.2	33.4
Total current assets		554.7	643.8	650.4
Total assets		14,630.9	14,146.8	13,886.1

Equity and liabilities		30 Sept	31 Dec	30 Sept
Note	DKK million	2020	2019	2019
EQUITY				
	Share capital	784.8	784.8	784.8
	Hedging reserve	8.5	(32.0)	(42.1)
	Cost of hedge	(8.0)	(10.1)	(14.4)
	Retained earnings	2,159.5	2,515.9	2,316.6
Total equity		2,944.8	3,258.6	3,044.9
NON-CURRENT LIABILITIES				
	Deferred tax	1,047.2	1,035.2	1,030.5
3	Financial institutions and other loans	9,194.4	6,139.6	6,875.5
	Other payables	115.7	39.6	-
Total non-current liabilities		10,357.3	7,214.4	7,906.0
CURRENT LIABILITIES				
3	Financial institutions and other loans	147.5	2,248.7	1,431.6
	Prepayments from customers	278.9	305.2	318.2
	Trade payables	448.1	640.5	636.2
	Income tax payable	0.4	116.3	166.5
4	Other payables	450.1	357.3	375.4
	Deferred income	3.8	5.8	7.3
Total current liabilities		1,328.8	3,673.8	2,935.2
Total liabilities		11,686.1	10,888.2	10,841.2
Total equity and liabilities		14,630.9	14,146.8	13,886.1

CASH FLOW STATEMENT

DKK million	Q3		Year to date	
	2020	2019	2020	2019
CASH FLOW FROM OPERATING ACTIVITIES				
Received from customers	289.2	1,240.4	1,433.4	3,299.6
Paid to staff, suppliers, etc.	(259.9)	(420.9)	(1,047.2)	(1,556.2)
Cash flow from operating activities before financial items and tax	29.3	819.5	386.2	1,743.4
Interest received, etc.	2.4	0.7	4.0	2.8
Interest paid, etc.	(50.3)	(52.3)	(158.5)	(153.3)
Cash flow from operating activities before tax	(18.6)	767.9	231.7	1,592.9
Income taxes paid	-	(0.3)	(116.3)	(278.8)
Cash flow from operating activities	(18.6)	767.6	115.4	1,314.1
CASH FLOW FROM INVESTING ACTIVITIES				
Payments for property, plant and equipment	(291.9)	(541.2)	(1,174.0)	(1,451.4)
Payments for intangible assets	(9.2)	(26.3)	(37.0)	(87.0)
Sale of property, plant and equipment	0.8	1.0	1.4	1.8
Cash flow from investing activities	(300.3)	(566.5)	(1,209.6)	(1,536.6)
CASH FLOW FROM FINANCING ACTIVITIES				
Repayments of long-term loans	(167.1)	(761.3)	(840.8)	(1,318.5)
Proceeds from long-term loans	450.0	800.0	3,950.0	2,800.0
Repayments of short-term loans	(74.0)	(270.5)	(2,387.8)	(1,172.2)
Proceeds from short-term loans	74.0	275.4	373.6	703.2
Dividends paid	-	(237.6)	-	(915.7)
Cash flow from financing activities	282.9	(194.0)	1,095.0	96.8
Net cash flow for the period	(36.0)	7.1	0.8	(125.7)
Cash at the beginning of the year	56.0	26.3	19.2	159.1
Cash at the end of the period	20.0	33.4	20.0	33.4

STATEMENT OF CHANGES IN EQUITY

DKK million					
	Share capital	Hedging reserve	Cost of hedge	Retained earnings	Total
Equity at 1 January 2020	784.8	(32.0)	(10.1)	2,515.9	3,258.6
Comprehensive income for the period					
Net profit/(loss) for the period	-	-	-	(353.8)	(353.8)
Other comprehensive income					
Currency translation of equity in foreign branch	-	-	-	(2.6)	(2.6)
Value adjustments of hedging instruments	-	(66.8)	2.1	-	(64.7)
Value adjustments of hedging instruments transferred to financial income and expenses in the income statement	-	107.3	-	-	107.3
Total other comprehensive income	-	40.5	2.1	(2.6)	40.0
Total comprehensive income for the period	-	40.5	2.1	(356.4)	(313.8)
Equity at 30 September 2020	784.8	8.5	(8.0)	2,159.5	2,944.8
Equity at 1 January 2019	784.8	(94.1)	(16.5)	2,412.1	3,086.3
Comprehensive income for the period					
Net profit/(loss) for the period	-	-	-	820.4	820.4
Other comprehensive income					
Currency translation of equity in foreign branch	-	-	-	(0.2)	(0.2)
Value adjustments of hedging instruments	-	135.6	2.1	-	137.7
Value adjustments of hedging instruments transferred to financial income and expenses in the income statement	-	(83.6)	-	-	(83.6)
Total other comprehensive income	-	52.0	2.1	(0.2)	53.9
Total comprehensive income for the period	-	52.0	2.1	820.2	874.3
Transactions with owners					
Dividends paid	-	-	-	(915.7)	(915.7)
Total transactions with owners	-	-	-	(915.7)	(915.7)
Equity at 30 September 2019	784.8	(42.1)	(14.4)	2,316.6	3,044.9

Dividend

At the Annual General Meeting held on 2 April 2020, the shareholders approved the Board of Directors' proposal not to pay dividend in respect of the second half of 2019. Based on the interim profit for the six months ended 30 June 2019, an interim dividend of DKK 237.6 million, equivalent to DKK 30.28 per share, was distributed on 8 August 2019.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: Basis of preparation

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

The interim report comprises the condensed consolidated financial statements of Copenhagen Airports A/S.

The interim report is presented in accordance with international accounting standard IAS 34 for Interim Financial Reporting and additional Danish disclosure requirements for the interim reports of listed companies.

Significant accounting estimates

The estimates made by CPH in determining the carrying amounts of assets and liabilities are based on assumptions that are subject to future events. These include estimates of the useful lives of items of property, plant and equipment, their residual values, and assessments of the need for write-downs based on estimates of cash flows and discount factors. For a description of risks and accounting estimates, see pages 47-48 and page 64 of the 2019 Annual Report, which indicate the notes that contain significant estimates and judgments.

Accounting policies

The accounting policies applied in the interim report are unchanged from those applied in the 2019 Annual Report except as set out below. The 2019 Annual Report was prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU. For further information, see page 64 of the 2019 Annual Report, which indicates which notes contain accounting policies, and the Summary of significant accounting policies on pages 65-66.

Change in accounting policies

With effect from 1 January 2020, CPH has implemented the following new standards, which have been adopted by the EU:

- Conceptual Framework — Amendments to References to the Conceptual Framework in IFRS Standards.
- IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors — Amendments to IAS 1 and IAS 8: Definition of Materiality

CPH has established that the implementation of the above did not have a material impact on the consolidated financial statements.

NOTE 2: Property, plant and equipment

Purchase and sale of property, plant and equipment

In the first nine months of 2020, CPH invested DKK 1,229.0 million in intangible assets and property, plant and equipment. Major investments made during the first nine months of 2020 included the expansion of Terminal 3, the completion of Pier E, construction of a multi-storey carpark, new baggage facilities, various IT systems as well as miscellaneous improvement and maintenance work.

Contracts and other commitments

As of 30 September 2020, CPH had entered into contracts to build and maintain facilities at a total value of DKK 342.7 million (31 December 2019: DKK 432.5 million) and other commitments amounting to DKK 34.5 million (31 December 2019: DKK 44.5 million). Major commitments include contracts for capacity expansion of the baggage-handling system, expansion of the parking facilities (multi-storey carpark) and improvement of wide-body facilities.

NOTE 3: Financial institutions

Financial institutions and other loans were recognised in the balance sheet as follows:	30 Sept 2020	31 Dec 2019
Non-current liabilities	9,194.4	6,139.6
Current liabilities	147.5	2,248.7
Total	9,341.9	8,388.3

CPH has the following loans and credit facilities as at 30 September:

Loan	Currency	Fixed/ floating	Maturity date	Carrying amount		Fair value*	
				30 Sept 2020	31 Dec. 2019	30 Sept 2020	31 Dec. 2019
Overdraft	DKK	Floating	-	-	118.2	-	118.2
Bank Club	DKK	Floating	21 Dec 2024	-	200.0	-	200.0
Bank Club	DKK	Floating	7 May 2022	1,450.0	-	1,450.0	-
Danske Bank	DKK	Fixed	30 Jun 2020	-	800.0	-	800.8
Bank Club loan	DKK	Floating	7 May 2022	2,000.0	-	2,000.0	-
RD (DKK 64 million)**	DKK	Fixed	23 Dec 2032	42.4	44.6	44.3	48.7
Nordea Kredit**	DKK	Floating	30 Dec 2039	433.5	450.9	433.4	450.9
NIB***	DKK	Fixed	12 Feb 2026	84.1	99.4	88.4	104.7
NIB****	DKK	Fixed	19 Dec 2027	741.2	847.1	862.2	900.1
EIB****	DKK	Fixed	15 Dec 2026	250.0	250.0	266.5	275.1
EIB****	DKK	Fixed	7 Apr 2032	600.0	600.0	594.8	678.5
EIB****	DKK	Fixed	26 Jan 2033	400.0	400.0	436.2	459.7
EIB****	DKK	Fixed	14 Aug 2033	600.0	600.0	640.7	630.7
EIB****	DKK	Fixed	12 Apr 2034	700.0	700.0	729.6	782.6
USPP bond loan	DKK	Fixed	27 Aug 2025	1,055.0	1,055.0	1,204.3	1,203.7
USPP bond loan	USD	Fixed	29 Jun 2020	-	981.4	-	1,028.5
USPP bond loan	USD	Fixed	22 Aug 2023	1,017.6	1,068.2	1,136.9	1,194.2
USPP bond loan	GBP	Fixed	29 Jun 2020	-	201.6	-	212.8
Total				9,373.8	8,416.4	9,887.3	9,089.2
Loan costs for future amortisation				(31.9)	(28.1)	(31.9)	(28.1)
Total				(31.9)	(28.1)	(31.9)	(28.1)
Total				9,341.9	8,388.3	9,855.4	9,061.1

* The fair value of the financial liabilities was the present value of expected future instalments and interest payments. A zero coupon rate for similar maturities plus credit cost based upon the Company's present rating was used as the discount rate.

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

*** Nordic Investment Bank (NIB) - Funding for the expansion of Pier C.

**** European Investment Bank (EIB) and Nordic Investment Bank (NIB) - Funding for the expansion of Copenhagen Airport.

The fixed-rate USPP bond loans of USD 160 million (2019: USD 307 million and GBP 23 million) were swapped to DKK on closing of contract, both in terms of principal and interest payments, by means of currency swaps.

As of 30 September 2020, guaranteed unused long-term credit facilities amounted to DKK 4.8 billion (31 December 2019: DKK 1.8 billion).

NOTE 3: Financial institutions (continued)**Values of derivative financial instruments:**

	Carrying amount		Fair value*	
	30 Sept 2020	31 Dec 2019	30 Sept 2020	31 Dec 2019
Derivative financial instruments				
Recognised under other financial assets	112.1	116.5	112.1	116.5
Recognised under other receivables, current part	-	80.6	-	80.6
Recognised under other payables, current part	-	2.0	-	2.0

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

NOTE 4: Other payables

	30 Sept 2020	31 Dec 2019
Other payables - non-current		
Holiday pay, frozen due to new holiday act	115.7	39.6
Carrying amount at 31 December	115.7	39.6
Other payables - current		
Holiday pay and other payroll items	371.3	254.6
Interest payable	32.8	48.3
Cash flow hedge (USPP bond)	-	2.0
Other costs payable	46.0	52.4
Total	450.1	357.3

NOTE 5: Related parties

CPH's related parties are the Danish Labour Market Supplementary Pension (ATP) and the Ontario Teachers' Pension Plan (OTPP), cf. their controlling ownership interests in CPH, and the Board of Directors and Executive Management. See also notes 2.4, 3.4 and 5.5 in the 2019 Annual Report.

There are no outstanding balances with related parties.

NOTE 6: Subsequent events**Netcompany and CPH form IT company to digitalise airports worldwide**

In October, CPH and Netcompany announced the formation of Smarter Airports A/S, a joint venture that is to develop a new, market-leading digital platform for efficient and sustainable operation of the airports of the future. Once the solution is implemented at Copenhagen Airports, focus will also be on selling the system to airports worldwide. Netcompany and CPH are prepared to invest up to DKK 200 million combined in Smarter Airports A/S. The company plans to finalise the development of the new digital, data-driven platform over the next 12 months. By means of data, algorithms and artificial intelligence, the digital platform will provide new opportunities for mapping and integrating huge amounts of data on traffic handling, flight times, check-in and security.

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

MANAGEMENT'S STATEMENT ON THE INTERIM REPORT

The Board of Directors and the Executive Management have today considered and approved the interim report of Copenhagen Airports A/S for the period 1 January – 30 September 2020.

The interim report, which has not been audited or reviewed by the Company's auditor, comprises the condensed consolidated financial statements of Copenhagen Airports A/S and is presented in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and additional Danish disclosure requirements applying to interim reports of listed companies.

In our opinion, the interim report gives a true and fair view of the Group's assets, equity and liabilities and financial position at 30 September 2020 and of the results of the Group's operations and the Group's cash flows for the period 1 January – 30 September 2020. Moreover, in our opinion, the interim report gives a true and fair view of developments in the Group's operations and financial position and describes the most significant risks and uncertainties that may affect the Group.

Other than as disclosed in the interim report, no material changes in the Group's significant risks and uncertainties have occurred compared to what was disclosed in the 2019 Annual Report.

Copenhagen, 12 November 2020

Executive Management

Thomas Woldbye
CEO

Board of Directors

Lars Nørby Johansen
Chairman

David Stanton
Deputy chairman

Ulrik Dan Weuder
Deputy chairman

Martin Præstegaard

Janis Kong

Charles Thomazi

Dan Hansen

John Flyttov

Betina Hvolbøl Thomsen