



CPH

Remuneration Report 2022

Remuneration Report for Copenhagen Airports A/S

Københavns Lufthavne A/S
Lufthavnsboulevarden 6, 2770 Kastrup, Denmark
Company reg. (CVR) no.: 14 70 72 04

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Introduction and remuneration governance

This Remuneration Report aims to provide a transparent overview of the total remuneration received by the Board of Directors and the Executive Management of Copenhagen Airports A/S, CVR no. 14 70 72 04, for the 2022 financial year, with comparative figures for past financial years.

The Executive Management consists of the executive registered with the Danish Business Authority, currently the CEO, Thomas Woldbye.

The report has been prepared in accordance with section 139b of the Danish Companies Act, reviewed by PwC and is published on the CPH website.

The Remuneration Policy, which is a revision of the 2020 policy, was adopted by the

Annual General Meeting on 7 April 2022. The change compared to the previous 2020 policy entailed introducing an incentive claw-back option for Executive Management to comply with best practice and implementation of the Shareholder Rights Directive. The Danish Ministry of Finance, exercising the Danish State's ownership in CPH, stated that the variable remuneration to members of the Executive Management exceeds guidelines stipulated in the Danish State's ownership policy and hence it could not vote in favour of the policy.

The framework of the Remuneration Policy is designed to promote the company's long-term sustainability by not promoting excessive risk taking. This is achieved through a mix of fixed and variable remuneration, and a balanced approach to performance

objectives, which support the achievement, directly or indirectly, of the strategic priorities underpinning the business strategy and company purpose.

The performance objectives continue to reflect elements such as financial results, customer satisfaction, safety and compliance performance, as well as the environmental and climate footprint. A balanced, broad-based and "triple bottom line"-inspired approach to company performance is aligned with the corporate strategy and supports the company's long-term interests and sustainability.

Competitive remuneration packages are offered to attract, retain and reward key skills in order to achieve CPH's strategic ambitions aligned with the company's sustainability

and long-term interests. Determining the total remuneration level and structure may include a comparison with both Danish and European Large Cap companies, reflecting the special nature and market situation of the business.

The Remuneration Policy can be found [here](#), and a summary is provided in the sections "Remuneration of the Board of Directors" and "Remuneration of the Executive Management".

A non-binding advisory vote on the Remuneration Report 2021 was conducted at the Annual General Meeting 2022, and the report was adopted.

Remuneration of the Board of Directors

Members of the Board of Directors are remunerated with fixed fees. The fee structure reflects differences in roles and responsibilities such that the remuneration of the Chairman is three times the base fee.

Members of the Audit and Risk Management committee receive a separate fee.

The Deputy Chairmen and the ordinary non-independent directors elected by the Annual General Meeting have decided to

waive remuneration in 2022 for work relating to their position as members of the Board of Directors and Audit and Risk Management Committee.

The remuneration of the Board of Directors is approved annually by the Annual General Meeting based on a proposal from the Board of Directors. The recommendation by the Board of Directors is based on market practice for Large Cap companies, and the fees in 2022 are unchanged compared to 2021.

Table 1:

Remuneration structure for the Board of Directors and the Audit and Risk Management Committee 2022 in DKK:

Chairman of the Board of Directors	990,000
Ordinary directors	330,000
Employee-elected directors	330,000
Members of the Audit and Risk Management Committee	165,000

Table 2:

Emoluments to the Board of Directors					2022	2021	2020	2019
DKKm	Member since	Role	Committee	Base fee	A&R fee	Total		
Lars Nørby Johansen	2014	Chair		1.0		1.0	1.0	1.0
David Stanton*	2011	Deputy Chair	A&R (c)	0.0		0.0	0	0
Martin Præstegaard*	2020	Deputy Chair	A&R (m)	0.0		0.0	0	0
Ulrik Dan Weuder*	Retired			0.0		0.0	0	0
Lars Sandahl Sørensen	2021	Member		0.3		0.3	0.2	0
Janis Kong	2012	Member	A&R (m)	0.3	0.2	0.5	0.5	0.5
Charles Thomazi*	2015	Member		0.0		0.0	0	0
Betina Hvolbøl Thomsen	2019	Member		0.3		0.3	0.3	0.3
Dan Hansen	2015	Member		0.3		0.3	0.3	0.3
Michael Marott Bock**	2022	Member		0.3		0.3		
John Flyttov	Retired						0.3	0.3
Marlene Hougaard	Retired							0.1
Total				2.5	0.2	2.7	2.7	2.5
								2.7

* This member has decided to waive emoluments.

** Joined in February 2022 as employee representative, replacing John Flyttov.

Remuneration of the Executive Management

Remuneration governance

The remuneration of the Executive Management is reviewed and decided annually by the Board of Directors based on a proposal from the Chairmanship's Remuneration and Nomination meetings.

Remuneration structure

The remuneration structure for the Executive Management comprises the following components:

- Base salary
- Market-typical benefits including company car, defined contribution pension scheme and insurance.
- Short-term incentive plan with a maximum of 75% of base pay
- Long-term incentive plan with a maximum of 50% of base pay

Achievement at target level for the variable part of compensation is defined as two-thirds of maximum.

Company performance and remuneration of the Executive Management

2022 was the year when CPH got the airport back up and running after the COVID-19 crisis. We managed to get eight out of ten passengers back compared to 2019 and we improved the financials throughout the year. The objectives were to reopen the airport with a focus on financial performance that will enable the necessary future investments in infrastructure, satisfied passengers and partners, and efficient operational performance with the focus on safety and climate.

The airport is also crucial to the value creation in the economic ecosystem we are part of. We created more than 3,500 jobs compared to the lowest level in the spring 2021, and there are now 16,500 jobs in the 800+ companies in and around the airport. CPH hired 810 new colleagues during 2022, including training and certification of more than 350 new security employees.

CEO pay mix illustration

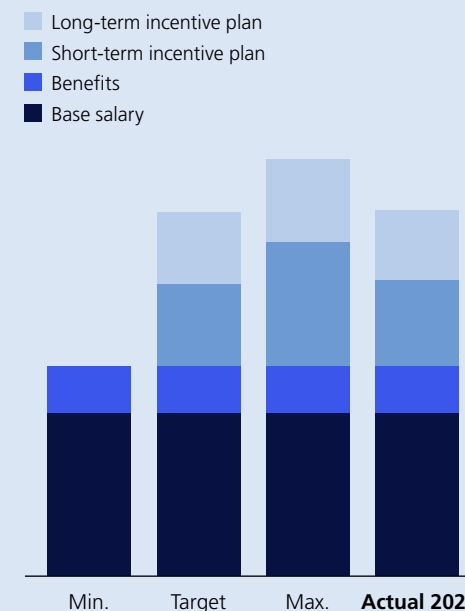


Table 3:

Remuneration Executive Management	2022		2021		2020		2019	
- Thomas Woldbye	DKKm		DKKm		DKKm		DKKm	
Base salary	5.7		5.5		5.3		5.3	
Short-term incentive plan	3.1		3.5		2.3		3.0	
Long-term incentive plan	1.8		0.9		0.7		2.2	
Benefits	1.7		1.6		1.6		1.6	
Total	12.3		11.4		9.9		12.1	
Total fixed compensation	7.4	60%	7.1	62%	6.9	70%	6.9	57%
Total incentives	4.9	40%	4.3	38%	3.0	30%	5.2	43%

Table 4:

KPIs, Short-term incentive plan	Weight	Result	Score (0-150%)
Company performance	65%		107%
OPEX	30%	Above	
Safety and ESG	20%	At target	
Strategy progress	15%	At target	
CEO, individual	35%		110%
Financial		Above	
Climate		Above	
Charges		At target	
New revenue streams		Below	
Restart & leadership		Above	
Result	100%		108%

Base pay

The Board of Directors decided to increase the base pay to the CEO by 5%, effective from May 2022. The increase in base pay was prudent to secure a competitive base pay development compared to similar CEO positions in Danish Mid and Large Cap companies and taking the CEO's satisfactory performance into account. Base salary increases over the last four years amount to 2.8% annualised, which is comparable with the market pay increase for the period.

Short-term incentive plan

The objectives in the 2022 short-term incentive plan have been assessed by the Board of Directors and are summarised in Table 4.

The total achievement of the financial and company-level KPI's, including the personal objective for the CEO, amounts to 108% of target for the annual bonus, equal to 72% of

maximum short-term incentive according to the remuneration policy.

The year was not without challenges, but ended with a robust performance. EBITDA and OPEX performed better than the budgeted targets, although passenger numbers need to increase further to reach the levels needed to invest in the airport of the future and, at the same time, provide a satisfactory shareholder return.

In the ESG/Climate area, CPH launched new programmes and partnerships related to climate, local environment, circular economy and black carbon emission measurements, as well as an energy-saving campaign with extraordinary results in reducing carbon footprint and energy cost. The recycling rate increased from 27% to 35%, and allowable construction waste to landfill was significantly reduced.

Aerodrome safety proficiency checks and safety training programmes were completed on schedule, and all safety-critical areas including the Nominated Persons, completed their proficiency checks in 2022.

The Smarter Airport project creating new revenue streams is running as proof-of-value solutions in version 1.0, but the Go-Live version 2.0 has been delayed and is now expected during 2023.

The ramp-up of operations during 2022 was performed in a robust manner, overcoming recruitment and training challenges.

Customer satisfaction took a dive during the summer due to performance challenges and airline strikes, but developed very positively towards the end of the year. Passenger satisfaction in Q4 was 85% – on par with 2019.

The airline strategy work included securing SAS deployment in CPH, new continental and intercontinental routes, and a significant increase in total number of airline seats and cargo tonnage.

Design of 2023 short-term incentive plan

To ensure an appropriate weighting between KPIs that supports an assessment of performance using the “triple bottom line” approach as stipulated in our Remuneration

Policy, the Board of Directors decided to weight and structure the KPIs for the 2023 short-term incentive plan as shown in Table 5.

Long-term incentive plan

The long-term incentive plan for the CEO is an annual granted value up to a maximum of 50% of base pay, with a three-year vesting period based on performance criteria.

The objective for the 2020-2022 long-term incentive plan was set in early 2020, during the COVID-19 close-down of the airport, which saw the low point of 424 passengers on one day in April. The focus in 2020 was to save jobs and reduce costs, while securing

the ability to scale up and reopen after the worst crisis in the airport's history.

During the crisis, there was a need to mitigate the business risk of losing key employees and leaders in the airport, including the CEO, which could have negatively impacted the ability to reopen and operate the airport when the passengers returned. The Board of Directors decided to mitigate this special situation by defining long-term value creation in the airport as retention of the CEO, a traffic level of 23 million passengers in 2022 and operations in line with airport safety and security standards. The traffic level was set at the volume required to operate a

profitable business able to create long-term shareholder returns.




In 2022, we reached 22.1 million passengers, leading to a long-term incentive plan performance assessment at target level. The maximum payout would have required passenger levels above 23 million.

The 2021-2023 CEO long-term incentive plan is based on 50% financial and 50% strategic objectives. The 2022-2024 and future 2023-2025 plan follow the design in Table 6 with an increase in the financial KPI weighting following the same trend as in the short-term incentive plans. The 20% non-financial objectives include ESG performance.

Table 5:

Design of CEO short-term incentive plan		
Theme	KPIs	Weight
Profit	EBITDA	50%
	Other financial KPIs	
People & Planet	Energy consumption	30%
	Recycling	
	Environment	
	Safety	
	Passenger satisfaction	
Strategy & Leadership	Strategy progress	20%
	Leadership	
	Individual goal	

Table 6:

Design of CEO long-term incentive plan											
Vesting and frequency	Three-year rolling scheme with cliff vesting, which means that a new scheme is initiated every year, and an evaluation will be made at the end of the three-year performance period.										
Vehicle for settlement	Performance cash plan, with settlements from the scheme made in cash. A payment is conditional on the achievement of stretch objectives.										
Performance metrics and payout curve	<table border="0"> <tr> <td>Metrics: 75% – Financial</td> <td rowspan="3">  </td> <td>Below minimum: 0%</td> </tr> <tr> <td>20% – Non-financial objectives</td> <td>Minimum: 50%</td> </tr> <tr> <td>5% – Discretionary</td> <td>Target: 100%</td> </tr> <tr> <td></td> <td></td> <td>Maximum: 150%</td> </tr> </table>	Metrics: 75% – Financial		Below minimum: 0%	20% – Non-financial objectives	Minimum: 50%	5% – Discretionary	Target: 100%			Maximum: 150%
Metrics: 75% – Financial		Below minimum: 0%									
20% – Non-financial objectives		Minimum: 50%									
5% – Discretionary		Target: 100%									
		Maximum: 150%									
Malus	Discretionary reduction by the Board of Directors in the event of: <ul style="list-style-type: none"> – Major environmental or safety incident – (Other) major reputational damage to CPH – Participant gross misconduct 										
Award level at target performance	4 months' base salary										

Compliance with Remuneration Policy

Table 7:

Remuneration component	Description	2022 Actual	Compliance with the Remuneration Policy
Base salary	Fixed cash salary with monthly payment. Annual pay review effective from 1 May	Reflecting a market-competitive level	Compliant with the policy
Pension	Defined contribution scheme	20.0% of annual base salary	Compliant with the policy (pension and other benefits = 25-30% of base salary)
Short-term incentives	The annual variable remuneration is based on company and individual objectives. Company objectives include both financial and non-financial objectives. Payouts are in cash, typically in March. There are no mandatory deferrals.	On-target performance: 6 months' salary Max. performance: 9 months' salary Performance assessment: see pages 6-7. The company has not exercised the option of reclaiming variable remuneration in 2022.	Compliant with the policy, as the "on-target" value must not exceed 6 months' salary and the maximum payout must not exceed 9 months' base salary. Objectives are specific and inspired by a "triple bottom line" approach. Objectives include financial performance, safety/ compliance, climate, etc.
Long-term incentives	The long-term incentive plan is a yearly performance cash scheme with a three-year performance period. There are no mandatory deferrals.	On-target performance: 4 months' salary Max. performance: 6 months' salary The performance objectives included passenger levels as a proxy for long-term financial performance. The company has not exercised the option of reclaiming variable remuneration in 2022.	Compliant with the policy, as the on-target value must not exceed 4 months' salary and the maximum payout must not exceed 6 months' base salary. The performance objectives had a particular focus on long-term value creation compared to the situation in 2020.
Benefits	Company car, insurance	Market-competitive	Compliant with the policy (pension and other benefits = 25-30% of base salary)
Other elements	Stay on arrangements	Not used	Compliant

Annual changes in remuneration and key performance indicators

Table 8*:

Board of Directors	2022	2021	2020	2019	Executive Management	2022	2021	2020	2019
	DKKm	DKKm	DKKm	DKKm		DKKm	DKKm	DKKm	DKKm
Lars Nørby Johansen	1.0	1.0	1.0	1.0	Thomas Woldbye				
David Stanton**	0	0	0	0	Total compensation (realised value)	12.3	11.4	9.9	12.1
Martin Præstegaard**	0	0	0	0	- annual change	7.9%	15%	-18%	-
Ulrik Dan Weuder**	0	0	0	0					
Lars Sandahl Sørensen	0.3	0.2	0	0	Performance indicators				
Janis Kong	0.5	0.5	0.5	0.5	Operational expenses (OPEX, DKKm)	2,146	1,521	1,732	1,977
Charles Thomazi**	0	0	0	0	- annual change	41%	-12%	-12%	
Betina Hvolbøl Thomsen	0.3	0.3	0.3	0.3	EBITDA	1,398	506	201	2,370
Dan Hansen	0.3	0.3	0.3	0.3	- annual change	176%	152%	-92%	
Michael Marott Bock	0.3				Net profit	207	-523	-638	1,020
John Flyttov (retired)		0.3	0.3	0.3	- annual change	140%	18%	-163%	
Marlene Hougaard (retired)			0.1	0.3	Total remuneration of FTE	0.7	0.6	0.6	0.6
Total	2.7	2.7	2.5	2.7	- annual change	10.4%***	9.9%***	-1.1%	
Annual changes	0	0	-7.4%	-					

* All numbers are for the total company.

** This board member decided to waive emoluments.

*** The increase in incorporates material changes in the workforce as well as overtime payments during ramp-up in operations.

Board of Directors' statement on the Remuneration Report

The Board of Directors has today considered and adopted the Remuneration Report of Copenhagen Airports A/S for the financial year 2022.

The report has been prepared in accordance with section 139b of the Danish Companies Act.

The Remuneration Report will be presented to the Annual General Meeting for an indicative vote.

Copenhagen, 8 March 2023

Board of Directors



Lars Nørby Johansen
Chairman



David Stanton
Deputy Chairman



Martin Præstegaard
Deputy Chairman



Charles Thomazi



Janis Kong



Lars Sandahl Sørensen



Betina Hvolbøl Thomsen
Employee representative



Michael Marott Bock
Employee representative



Dan Hansen
Employee representative

Independent auditor's statement on the Remuneration Report

To the shareholders of Københavns Lufthavne A/S

According to section 139b of the Danish Companies Act, management is responsible for preparing a remuneration report in accordance with the remuneration policy adopted at the General Meeting.

Our opinion on the audit of the Consolidated Financial Statements and the Parent Company Financial Statements does not include the remuneration report, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements and the Parent Company Financial Statements for 2022, it is, however, our responsibility pursuant to section 147 of the Danish Companies Act to verify that all disclosures required under section 139 b(3) of the Danish Companies Act are included in the company's remuneration report for 2022. We found no reason to point out any omissions with respect to the disclosures included in the remuneration report for 2022.

Hellerup, 8 March 2023

PricewaterhouseCoopers

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