

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

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

SUMMARY OF THE FIRST HALF OF 2020

Just over 5 million passengers passed through the terminals at Copenhagen Airport in the first six months of 2020, including 4.8 million in the first three months alone. As the coronavirus pandemic gradually brought global aviation to a standstill, Copenhagen Airports A/S (CPH) saw passenger traffic plunge to historically low levels, especially in the second quarter. The overall passenger flow in the first six months of 2020 was 65.2% lower than in the same period of 2019, where the number of passengers was 14.4 million.

Moreover, passengers got a very different airport experience. Large parts of the terminals were closed and only a handful of the airport's shops and restaurants were open to serve the very few passengers – on certain days fewer than 500.

Across the airport's entire eco system, from airlines to ground handlers and the many shops and restaurants, the coronavirus pandemic has created a highly challenging and, for some companies, an existential crisis. Many of the businesses operating at the airport have had to let skilled employees go, and CPH has not been able to give passengers the travel experience they have come to expect.

Severe drop in revenue leads to an operating loss

The drop in passenger numbers had a severe effect on revenue from both the aeronautical and the non-aeronautical parts of CPH's business. Overall revenue for the first half-year was DKK 934.8 million, a 55.5% drop from DKK 2,099.7 million in the first six months of 2019.

In order to offset the drop in revenue and the lower level of activity, CPH has reduced various operational and investment activities to an absolute minimum. Cost cuts implemented for the current year amounting up to DKK 950 million. Furthermore, in May, CPH entered into a two-year facility agreement totaling DKK 6.0 billion with a club of banks as well as waiver agreements with existing lenders, providing CPH relief from certain loan covenants until the end of June 2021; this to ensure that CPH will be able to continue to meet its financial and investment commitments.

Government support packages have partly compensated for CPH's costs. For example, 2,200 of the company's 2,600 employees (corresponding to 1,600 full-time employees) have been furloughed with wage and salary compensation in rotation. This enabled CPH to keep the airport open during the period to accommodate the passenger and cargo traffic there was and thereby meet its obligations as critical infrastructure. However, it was far from enough to cover the substantial costs of keeping the airport operational and, as a result, CPH incurred an overall loss before tax for the period of DKK 227.9 million.

Towards the end of the reporting period, a number of travel restrictions were lifted and slowly but surely, airlines began offering more flights and travellers slowly began departing from the terminals again.

Activity at the airport has increased over the summer period, but it remains at a very low level. The slight increase in business activity will not change the fact that CPH will likely incur a second-half loss exceeding the first-half deficit, nor that CPH is funding its ongoing operations by way of a loan facility agreement entered into with a club of banks earlier this year. Given the extreme uncertainty as to when, and to what extent, air traffic will return to normal, CPH is currently managing operations on a much shorter timeframe than usual. Most likely, it will be a while before CPH recovers to pre-coronavirus levels.

Maintaining position as a popular hub airport is crucial

One of the key objectives of Copenhagen Airport is to provide maximum connectivity in and out of Denmark to the rest of the world both for the country as a whole and for Danish businesses. To that end, CPH has worked with airlines and other partners over many years to develop a solid route network in and out of Copenhagen. The coronavirus pandemic has put many of these routes on hold, and there can be no assurance that they will all return to CPH within the foreseeable future. In addition, there are prospects of increasing competition from other Scandinavian airports, including a significant increase in capacity in German Airports.

Aviation and tourism are major contributors to the Danish economy, and as both depend on comprehensive route connectivity, CPH has worked tirelessly for years to strengthen CPH's position as an attractive hub in northern Europe. These efforts have now become even more essential, because it cannot be taken for granted that everything will return to the way it was. Many of our neighbouring airports will strive to attract the best and most attractive routes, so it is crucial that CPH continues to invest in developing the sustainable airport of the future.

The sustainable transition of aviation is just as important now as it was in pre-corona times

CPH's ambition to continue developing CPH and creating the airport of the future is also a main driver of maintaining our strong commitment to the green transition despite the coronavirus crisis.

As part of these efforts, CPH was a key contributor to a plan, which was presented in the first half of 2020, on how Danish aviation can become a zero-emissions industry by 2050. Earlier this year, the Aviation Climate Partnership presented a proposal which, in addition to a specific road map for making Danish aviation sustainable, also called for the establishment of a climate foundation.

Subsequently, CPH teamed up with a number of major Danish businesses, including Orsted, A.P. Moller-Maersk, SAS and DSV along with the City of Copenhagen, and announced that they had formed a new, unique partnership to launch the production of sustainable fuels for road, maritime and air transport. Together with the other partners of the initiative, CPH is currently planning the roll-out of the initial phase of the project, which is to establish an electrolyser and hydrogen production facility in the Greater Copenhagen area, expected for operation by 2023.

The extent and duration of the coronavirus crisis is uncertain, but the climate challenge is something CPH as a business and society in general will have to solve over the next many years. The responsibility weighing on CPH to make the transport sector sustainable is as heavy today as it was before the coronavirus pandemic.

HIGHLIGHTS

- The number of passengers at Copenhagen Airport was 5.0 million in the first six months of 2020, a 65.2% drop from the same period last year that was due to the coronavirus crisis. The number of locally departing passengers was 2.0 million (66.1% fewer than last year), while transfer and transit passengers numbered 0.5 million (65.7% fewer than last year).
- Revenue amounted to DKK 934.8 million (2019: DKK 2,099.7 million), a 55.5% decline from last year primarily due to the coronavirus crisis.
- EBITDA was similarly affected and amounted DKK 257.5 million (2019: DKK 1,132.4 million), corresponding to a 77.3% decline from last year.
- EBIT was a loss of DKK 162.7 million (2019: DKK 682.9 million profit), corresponding to a decrease of DKK 845.6 million.
- Net financing costs were in line with the same period of last year.
- Profit before tax fell by DKK 844.9 million to a loss of DKK 227.9 million (2019: DKK 617.0 million profit).
- Capital investments were DKK 931.1 million in the first six months of 2020 (2019: DKK 1,083.1 million). Investments in the first six 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 travel restrictions and closing of borders imposed as a result of the coronavirus pandemic have dealt a severe blow to the aviation industry. Copenhagen Airports A/S (CPH) has also been affected with passenger traffic reduced to a historical low level. Due to the widespread uncertainty about air traffic in Denmark and the rest of the world caused by this health crisis, it has been extremely difficult to assess the effects of the crisis on CPH's financial situation. As stated in the company announcement of 25 June 2020, it has now become clear, however, that the coronavirus crisis will have a significant negative impact on CPH's revenue and earnings for 2020, and CPH now expects to incur an overall loss for the year.

Based on financial developments in 2020 to date and the prospects of very limited passenger traffic for the rest of the year, CPH expects a significant drop in revenue relative to 2019. Given the costs of keeping the airport operational, CPH now expects an overall loss after tax of DKK 450–750 million for 2020. This estimate includes the effects of various government support packages. Without them, the loss after tax would likely be in the range of DKK 700-1,000 million.

The outlook remains subject to significant uncertainty and will depend on, among other things, developments in air traffic for the rest of the year.

Maintaining tight cost management and organising operations more efficiently

As stated in the company announcement of 25 June 2020, CPH has implemented a number of operational cost cuts amounting up to DKK 250 million in 2020. In addition, current projects and investments in CPH's investment programme put on hold or postponed are expected to produce CAPEX savings of up to DKK 700 million in 2020.

CPH continues to apply the Danish government's wage and salary compensation scheme, as some 2,200 employees – equivalent to 1,600 full-time positions – have been furloughed with partial compensation for CPH's wage expenses. However, the compensation scheme has been far from enough to cover the costs of keeping the airport operational.

Accordingly, CPH will remain focused on aligning the airport's costs and operations with expected developments in passenger traffic going forward.

In order to secure its long-term competitive strength, CPH expects to align its organisation to the lower level of activity the aviation industry is currently experiencing as a result of the coronavirus crisis and which expectedly will continue for some time. As a result, CPH is contemplating removing 650 of the some 2,600 full-time positions at the airport. A company announcement released on 5 August 2020 provides more detailed information on these plans.

GROUP FINANCIAL HIGHLIGHTS AND KEY RATIOS

	Q2 2020	Q2 2019	YTD 2020	YTD 2019	2019
Income statement (DKK million)					
Revenue	171	1,128	935	2,100	4,346
<i>aeronautical revenue</i>	32	644	431	1,175	2,415
<i>non-aeronautical revenue</i>	139	484	504	925	1,931
EBITDA	(56)	626	258	1,132	2,370
<i>aeronautical EBITDA</i>	(152)	249	(108)	416	879
<i>non-aeronautical EBITDA</i>	96	377	366	716	1,491
EBIT	(266)	398	(163)	683	1,432
<i>aeronautical EBIT</i>	(315)	71	(437)	65	147
<i>non-aeronautical EBIT</i>	49	327	274	618	1,285
Net financing costs	34	37	65	66	139
Profit/(loss) before tax	(300)	361	(228)	617	1,293
Net profit/(loss)	(234)	278	(178)	475	1,020
Statement of comprehensive income (DKK million)					
Other comprehensive income	0	26	45	41	68
Comprehensive income	(234)	304	(133)	516	1,088
Balance sheet (DKK million)					
Property, plant and equipment	13,544	12,393	13,544	12,393	12,995
Financial investments	165	138	165	138	197
Total assets	14,669	13,606	14,669	13,606	14,147
Equity	3,126	2,924	3,126	2,924	3,259
Interest-bearing debt	9,104	8,169	9,104	8,169	8,388
Investment in property, plant and equipment	441	505	906	1,022	2,051
Investment in intangible assets	-	30	25	61	91
Cash flow statement (DKK million)					
Cash flow from operating activities	(62)	455	134	546	1,774
Cash flow from investing activities	(429)	(557)	(909)	(970)	(2,139)
Cash flow from financing activities	527	108	812	291	226
Cash at end of period	56	26	56	26	19
Key ratios					
EBITDA margin	(32.6%)	55.5%	27.5%	53.9%	54.5%
EBIT margin	(156.2%)	35.2%	(17.4%)	32.5%	33.0%
Asset turnover rate	0.05	0.34	0.13	0.32	0.33
Return on assets	(7.5%)	12.0%	(2.3%)	10.4%	10.7%
Return on equity	(28.9%)	35.7%	(11.1%)	31.6%	32.2%
Equity ratio	21.3%	21.5%	21.3%	21.5%	23.0%
Earnings per DKK 100 share	(29.8)	35.4	(22.7)	60.6	130.0
Cash earnings per DKK 100 share	(3.0)	64.5	30.9	117.8	249.5
Net asset value per DKK 100 share	398.3	372.6	398.3	372.6	415.2
NOPAT margin	15.1%	26.3%	15.1%	26.3%	26.0%
Turnover rate of capital employed	0.25	0.38	0.25	0.38	0.36
ROCE*	4.6%	12.9%	4.6%	12.9%	11.9%

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

MANAGEMENT'S FINANCIAL REVIEW

Performance – H1 2020

Suffering a 65.2% drop in passenger numbers in the first six months of 2020, CPH has clearly felt the impact of the global coronavirus pandemic. The airport virtually shut down in March, leaving only capacity to handle a minimum of operations, and more than 60% of CPH employees were furloughed with wage compensation. The changes had a negative impact on traffic revenue as well as shopping centre and parking revenue.

Consolidated profit before tax for the first six months of 2020 was a loss of DKK 219.8 million (2019: gain of DKK 621.6 million), excluding one-off items of DKK 8.1 million, which primarily related to restructuring costs.

Performance compared to 2019

Consolidated revenue for the first six months of 2020 amounted to DKK 934.8 million, a 55.5% decline from the year-earlier period. Aeronautical revenue amounted to DKK 431.2 million, which was 63.3% less than the first half of 2019. The decline was primarily due to the decrease in passenger numbers caused by the coronavirus crisis. Non-aeronautical revenue amounted to DKK 503.6 million, which was 45.6% less than the first half of 2019. Due to the coronavirus crisis, a majority of concessionaires in the restaurant and convenience segment, banks and specialty shops were closed late in the first quarter and all through the second 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 322.8 million relative to last year and amounted to DKK 1,089.4 million excluding one-off items. External costs decreased by DKK 59.8 million mainly due to the alignment of costs to the lower level of activity. Depreciation and amortisation charges were down by DKK 29.3 million mainly due to on the immediate write-offs of facilities related to capacity expansion projects in 2019. Staff costs decreased by DKK 14.0 million primarily due to a decrease in headcount of 35 full-time employees and less overtime. Other income includes DKK 219.7 million in compensation from the Danish government's support packages regarding wage and salary compensation and compensation for fixed costs.

EBITDA, excluding one-off items, amounted to DKK 265.6 million, which was 76.6% less than in first half of 2019. EBITDA fell by 77.3% to DKK 257.5 million.

Net financing costs amounted to DKK 65.2 million, which was in line with the same period of 2019.

Profit before tax, excluding one-off items, fell by DKK 841.4 million year on year to a loss of DKK 219.8 million, leading to a loss before tax of DKK 227.9 million.

DKK million	Q2				Year to date			
	2020	2019	Ch.	Ch. %	2020	2019	Ch.	Ch. %
Revenue	170.6	1,127.9	(957.3)	(84.9%)	934.8	2,099.7	(1,164.9)	(55.5%)
EBITDA	(55.5)	625.6	(681.1)	(108.9%)	257.5	1,132.4	(874.9)	(77.3%)
EBIT	(266.3)	397.6	(663.9)	(167.0%)	(162.7)	682.9	(845.6)	(123.8%)
Net financing costs	33.8	36.8	(3.0)	(8.1%)	65.2	65.9	(0.7)	(1.0%)
Profit/(loss) before tax	(300.1)	360.8	(660.9)	(183.2%)	(227.9)	617.0	(844.9)	(136.9%)

OTHER ITEMS IN THE INCOME STATEMENT

Net financing costs

DKK million	Year to date		
	2020	2019	Ch.
Interest	87.3	99.8	(12.5)
Capitalised interest expenses regarding assets under construction	(29.2)	(35.6)	6.4
Market value adjustments	(1.0)	(0.5)	(0.5)
Other financial costs	8.1	2.2	5.9
Total	65.2	65.9	(0.7)

Net financing costs were in line with the same period in 2019.

Interest expenses decreased by DKK 12.5 million due to a lower average interest rate 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 non-current assets decreased by DKK 6.4 million primarily due to a lower average interest rate.

Other financial costs increased by DKK 5.9 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 50.1 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	133.8	546.4	(412.5)
Investing activities	(909.2)	(970.1)	60.9
Financing activities	812.1	290.9	521.2
Net cash flow for the period	36.7	(132.8)	169.5
Cash at beginning of year	19.3	159.1	(139.8)
Cash at the end of the period	56.0	26.3	29.7

Cash flow from operating activities

Developments in the cash flow from operating activities were primarily related to the drop in revenue resulting from the coronavirus crisis, which was 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

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 six 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 56.0 million at 30 June 2020 (30 June 2019: DKK 26.3 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 the end of June 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 June 2020			
	Including one-off items	One-off items	Excluding one-off items
DKK million			
Revenue	934.8	-	934.8
Other income	220.4	-	220.4
External costs	194.9	(0.9)	194.0
Staff costs	702.8	(7.2)	695.6
EBITDA	257.5	8.1	265.6
Amortisation and depreciation	420.2	-	420.2
Profit before interest and tax	(162.7)	8.1	(154.6)
Net financing costs	65.2	-	65.2
Profit/(loss) before tax	(227.9)	8.1	(219.8)
Tax on profit/(loss) for the period	(50.1)	1.8	(48.3)
Net profit/(loss) for the period	(177.8)	6.3	(171.5)

1 January - 30 June 2019			
	Including one-off items	One-off items	Excluding one-off items
DKK million			
Revenue	2,099.7	-	2,099.7
Other income	0.7	-	0.7
External costs	254.8	(1.0)	253.8
Staff costs	713.2	(3.6)	709.6
EBITDA	1,132.4	4.6	1,137.0
Amortisation and depreciation	449.5	-	449.5
Profit before interest and tax	682.9	4.6	687.5
Net financing costs	65.9	-	65.9
Profit/(loss) before tax	617.0	4.6	621.6
Tax on profit/(loss) for the period	141.7	1.0	142.7
Net profit/(loss) for the period	475.3	3.6	478.9

Q2 2020			
	Including one-off items	One-off items	Excluding one-off items
DKK million			
Revenue	170.6	-	170.6
Other income	205.2	-	205.2
External costs	79.1	(0.1)	79.0
Staff costs	352.2	(0.8)	351.4
EBITDA	(55.5)	0.9	(54.6)
Amortisation and depreciation	210.8	-	210.8
Profit before interest and tax	(266.3)	0.9	(265.4)
Net financing costs	33.8	-	33.8
Profit/(loss) before tax	(300.1)	0.9	(299.2)
Tax on profit/(loss) for the period	(66.0)	0.2	(65.8)
Net profit/(loss) for the period	(234.1)	0.7	(233.4)

Q2 2019			
	Including one-off items	One-off items	Excluding one-off items
DKK million			
Revenue	1,127.9	-	1,127.9
Other income	0.7	-	0.7
External costs	129.0	(0.6)	128.4
Staff costs	374.0	(1.8)	372.2
EBITDA	625.6	2.4	628.0
Amortisation and depreciation	228.0	-	228.0
Profit before interest and tax	397.6	2.4	400.0
Net financing costs	36.8	-	36.8
Profit/(loss) before tax	360.8	2.4	363.2
Tax on profit/(loss) for the period	82.8	0.5	83.3
Net profit/(loss) for the period	278.0	1.9	279.9

Segment reporting

CPH has chosen to review 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 June 2020 appear on pages 14-23.

Segment revenue and profit

Year to date	Revenue				Profit/(loss) before interest and tax			
	2020	2019	Ch.	Ch. %	2020	2019	Ch.	Ch. %
DKK million								
Aeronautical	431.2	1,174.7	(743.5)	(63.3%)	(436.6)	64.9	(501.5)	-
Non-aeronautical	503.6	925.0	(421.4)	(45.6%)	273.9	618.0	(344.1)	(55.7%)
Total	934.8	2,099.7	(1,164.9)	(55.5%)	(162.7)	682.9	(845.6)	(123.8%)

AERONAUTICAL SEGMENT

DKK million	Q2				Year to date				FY
	2020	2019	Ch.	Ch. %	2020	2019	Ch.	Ch. %	2019
Revenue	32.3	643.6	(611.3)	(95.0%)	431.2	1,174.7	(743.5)	(63.3%)	2,415.2
Profit before interest (EBIT)	(315.6)	70.5	(386.1)	-	(436.6)	64.9	(501.5)	-	146.8
Segment assets					10,269.8	9,941.5	328.3	3.3%	9,971.9

Passengers

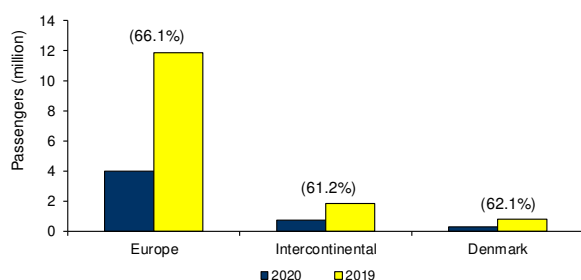
The total number of passengers fell by 97.3% in the second quarter of 2020. Traffic was negatively affected by the coronavirus crisis, with traffic declining from the end of February, and the effects of closed national borders were clearly reflected in fewer travellers in the first half of 2020 compared to the same period in 2019.

The total number of passengers travelling through Copenhagen Airport in the first half of 2020 was 5.0 million, equivalent to a decrease of 65.2% compared to the same period in 2019. There were 2.0 million locally departing passengers (66.1% drop from last year) and 0.5 million transfer passengers (65.7% drop from last year).

The total seat capacity fell by 57.9% in the first half of 2020. The number of passenger-related operations decreased 58.1%. The average cabin factor (occupancy) decreased by 19.4% to 58.6% in the first six months of 2020 compared to the same period in 2019.

Locally departing passengers accounted for 80.1% of all departing passengers, with transfer passengers making up 19.9%

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



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

Revenue

DKK million	Year to date			
	2020	2019	Ch.	Ch. %
Passenger charges	178.3	540.8	(362.5)	(67.0%)
Security charges	100.8	295.2	(194.4)	(65.8%)
Handling	32.8	92.4	(59.6)	(64.5%)
CUTE charges	3.9	12.3	(8.4)	(68.2%)
Take-off charges	98.9	211.6	(112.7)	(53.3%)
Aircraft parking, etc.	16.5	22.4	(5.9)	(26.3%)
Total	431.2	1,174.7	(743.5)	(63.3%)

Overall aeronautical revenue fell by DKK 743.5 million, or 63.3%, due to the coronavirus crisis and the year-on-year drop in activity it caused from the end of February. The new charges agreement came into effect on 1 April 2019, which involved a restructuring of take-off charges and passenger-related charges. As per the agreement, charges were adjusted at 1 January 2020.

Passenger charges amounted to DKK 178.3 million, a 67.0% decline from last year. Security, handling, and CUTE charges amounted to DKK 137.5 million, corresponding to a 65.6% decline from last year due to the coronavirus crisis.

Take-off charges amounted to DKK 98.9 million, which was a 53.3% drop from the year-earlier period. The change was due to fewer flight operations resulting from the coronavirus crisis. Passenger-related operations fell by 58.1%, while cargo operations were up by 3.1% due to an ongoing demand for cargo. In addition, the take-off weight for passenger-related operations was down by 58.2%, while the take-off weight for cargo operations increased by 26.3%.

Profit before interest (EBIT)

EBIT decreased by DKK 501.5 million, mainly due to a decrease in revenue caused by the lockdown in Denmark imposed due to the coronavirus crisis. This was partly offset by the Danish government's support packages and cost adjustments made to match the reduced level of activity.

NON-AERONAUTICAL SEGMENT

DKK million	Q2				Year to date				FY 2019
	2020	2019	Ch.	Ch. %	2020	2019	Ch.	Ch. %	
Revenue	138.2	484.3	(346.1)	(71.5%)	503.6	925.0	(421.4)	(45.6%)	1,930.5
Profit before interest (EBIT)	49.3	327.1	(277.8)	(84.9%)	273.9	618.0	(344.1)	(55.7%)	1,285.2
Segment assets					4,128.0	3,500.7	627.3	17.9%	3,958.1

Revenue

Concession revenue

DKK million	Year to date			
	2020	2019	Ch.	Ch. %
Shopping centre	213.7	435.3	(221.6)	(50.9%)
Parking	89.1	200.8	(111.7)	(55.6%)
Other revenue	14.5	31.3	(16.8)	(53.7%)
Total	317.3	667.4	(350.1)	(52.5%)

Generally, all concession, parking and other revenue was impacted by the sharp drop in activity resulting from the coronavirus crisis.

Concession revenue from the shopping centre amounted to DKK 213.7 million in the first half of 2020, corresponding to a 50.9% decline compared to the same period of last year. Due to the coronavirus crisis, a majority of the concessionaires in the restaurant and convenience segment, banks and specialty shops were closed in the first quarter and all through the second quarter of 2020.

Revenue from parking fell by 55.6%, mainly due to a decrease in locally departing passengers.

Other revenue amounted to DKK 14.5 million, which was 53.7% 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	59.0	61.9	(2.9)	(4.7%)
Rent from land	22.5	24.7	(2.2)	(9.0%)
Other rent	2.7	2.7	-	-
Total	84.2	89.3	(5.1)	(5.7%)

Income from the leasing of premises and land was down by 4.7% and 9.0% respectively. Other rental income was on par with 2019.

Sales of services etc.

DKK million	Year to date			
	2020	2019	Ch.	Ch. %
Hotel operation	30.0	33.0	(3.0)	(9.0%)
Other	72.1	135.3	(63.2)	(46.7%)
Total	102.1	168.3	(66.2)	(39.3%)

Revenue from the sale of services, etc. decreased by DKK 66.2 million, corresponding to a decrease of 39.3%. This was mainly due to a 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 344.1 million compared to the same period last year, mainly driven by lower revenue as a result of the lockdown in Denmark imposed due to the coronavirus crisis. This was partly offset by the Danish government's support packages and cost adjustments made to match the reduced level of activity.

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	Q2		Year to date	
	2020	2019	2020	2019
Traffic revenue	32.3	643.6	431.2	1,174.7
Concession revenue	71.5	352.8	317.3	667.4
Rent	37.4	44.8	84.2	89.3
Sale of services, etc.	29.4	86.7	102.1	168.3
Revenue	170.6	1,127.9	934.8	2,099.7
Other income	205.2	0.7	220.4	0.7
External costs	79.1	129.0	194.9	254.8
Staff costs	352.2	374.0	702.8	713.2
Amortisation and depreciation	210.8	228.0	420.2	449.5
Operating profit	(266.3)	397.6	(162.7)	682.9
Financial income	2.0	2.1	3.7	3.4
Financial expenses	35.8	38.9	68.9	69.3
Profit/(loss) before tax	(300.1)	360.8	(227.9)	617.0
Tax on profit/(loss) for the period	(66.0)	82.8	(50.1)	141.7
Net profit/(loss) for the period	(234.1)	278.0	(177.8)	475.3
Earnings per DKK 100 share (basic and diluted) EPS is stated in Danish kroner	(29.8)	35.4	(22.7)	60.6

STATEMENT OF COMPREHENSIVE INCOME

DKK million	Q2		Year to date	
	2020	2019	2020	2019
Net profit/(loss) for the period	(234.1)	278.0	(177.8)	475.3
Items that are reclassified to the income statement				
Currency translation of equity in foreign branch	(0.6)	(0.3)	(1.3)	(0.7)
Value adjustments of hedging instruments	(124.3)	(1.0)	(31.0)	66.5
Value adjustments of hedging instruments transferred to financial income and expenses in the income statement	125.4	35.0	90.3	(13.2)
Tax on other comprehensive income	(0.3)	(7.6)	(13.0)	(11.8)
Other comprehensive income for the period	0.2	26.1	45.0	40.8
Total comprehensive income for the period	(233.9)	304.1	(132.8)	516.1

BALANCE SHEET

Assets		30 June	31 Dec	30 June
Note	DKK million	2020	2019	2019
NON-CURRENT ASSETS				
Total intangible assets		352.6	391.2	458.8
Property, plant and equipment				
	Land and buildings	5,676.5	5,764.8	5,695.7
	Plant and machinery	4,179.7	4,249.6	4,283.4
	Other fixtures and fittings, tools and equipment	741.5	750.2	871.6
2	Property, plant and equipment in progress	2,946.7	2,230.2	1,541.8
Total property, plant and equipment		13,544.4	12,994.8	12,392.5
Financial investments				
	Investments in associates	0.4	0.4	0.4
	Other financial assets	164.2	116.6	137.6
Total financial assets		164.6	117.0	138.0
Total non-current assets		14,061.6	13,503.0	12,989.3
CURRENT ASSETS				
Receivables				
	Trade receivables	279.7	427.7	522.2
	Other receivables	45.5	129.5	24.6
	Deferred income tax assets	50.1	-	-
	Prepayments	175.6	67.4	44.0
Total receivables		550.9	624.6	590.8
Cash		56.0	19.2	26.3
Total current assets		606.9	643.8	617.1
Total assets		14,668.5	14,146.8	13,606.4

Equity and liabilities		30 June	31 Dec	30 June
Note	DKK million	2020	2019	2019
EQUITY				
	Share capital	784.8	784.8	784.8
	Hedging reserve	14.3	(32.0)	(53.5)
	Cost of hedge	(10.1)	(10.1)	(15.6)
	Retained earnings	2,336.8	2,515.9	2,208.6
Total equity		3,125.8	3,258.6	2,924.3
NON-CURRENT LIABILITIES				
	Deferred tax	1,048.2	1,035.2	1,027.0
3	Financial institutions and other loans	8,956.8	6,139.6	6,794.1
	Other payables	97.8	39.6	23.2
Total non-current liabilities		10,102.8	7,214.4	7,844.3
CURRENT LIABILITIES				
3	Financial institutions and other loans	147.5	2,248.7	1,374.5
	Prepayments from customers	367.9	305.2	349.8
	Trade payables	515.4	640.5	694.3
	Income tax payable	-	116.3	63.7
4	Other payables	404.6	357.3	348.2
	Deferred income	4.5	5.8	7.3
Total current liabilities		1,439.9	3,673.8	2,837.8
Total liabilities		11,542.7	10,888.2	10,682.1
Total equity and liabilities		14,668.5	14,146.8	13,606.4

CASH FLOW STATEMENT

DKK million	Q2		Year to date	
	2020	2019	2020	2019
CASH FLOW FROM OPERATING ACTIVITIES				
Received from customers	179.8	1,038.7	1,144.1	2,059.1
Paid to staff, suppliers, etc.	(179.0)	(534.2)	(787.3)	(1,135.4)
Cash flow from operating activities before financial items and tax	0.8	504.5	356.8	923.7
Interest received, etc.	1.2	1.2	1.6	2.0
Interest paid, etc.	(63.6)	(50.9)	(108.3)	(100.9)
Cash flow from operating activities before tax	(61.6)	454.8	250.1	824.8
Income taxes paid	-	(0.2)	(116.3)	(278.4)
Cash flow from operating activities	(61.6)	454.6	133.8	546.4
CASH FLOW FROM INVESTING ACTIVITIES				
Payments for property, plant and equipment	(429.3)	(527.9)	(884.5)	(910.2)
Payments for intangible assets	-	(29.6)	(25.4)	(60.6)
Sale of property, plant and equipment	0.5	0.7	0.7	0.7
Cash flow from investing activities	(428.8)	(556.8)	(909.2)	(970.1)
CASH FLOW FROM FINANCING ACTIVITIES				
Repayments of long-term loans	(606.5)	(548.0)	(673.7)	(557.2)
Proceeds from long-term loans	3,100.0	1,300.0	3,500.0	2,000.0
Repayments of short-term loans	(2,072.0)	(252.2)	(2,313.8)	(901.6)
Proceeds from short-term loans	105.7	286.0	299.6	427.8
Dividends paid	-	(678.1)	-	(678.1)
Cash flow from financing activities	527.2	107.7	812.1	290.9
Net cash flow for the period	36.8	5.5	36.7	(132.8)
Cash at the beginning of the year	19.2	20.8	19.3	159.1
Cash at the end of the period	56.0	26.3	56.0	26.3

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	-	-	-	(177.8)	(177.8)
Other comprehensive income					
Currency translation of equity in foreign branch	-	-	-	(1.3)	(1.3)
Value adjustment of hedging instruments	-	(24.2)	-	-	(24.2)
Value adjustment of hedging instruments transferred to financial income and expenses in the income statement	-	70.5	-	-	70.5
Total other comprehensive income	-	46.3	-	(1.3)	45.0
Total comprehensive income for the period	-	46.3	-	(179.1)	(132.8)
Equity at 30 June 2020	784.8	14.3	(10.1)	2,336.8	3,125.8
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	-	-	-	475.3	475.3
Other comprehensive income					
Currency translation of equity in foreign branch	-	-	-	(0.7)	(0.7)
Value adjustments of hedging instruments	-	50.9	0.9	-	51.8
Value adjustments of hedging instruments transferred to financial income and expenses in the income statement	-	(10.3)	-	-	(10.3)
Total other comprehensive income	-	40.6	0.9	(0.7)	40.8
Total comprehensive income for the period	-	40.6	0.9	474.6	516.1
Transactions with owners					
Dividends paid	-	-	-	(678.1)	(678.1)
Total transactions with owners	-	-	-	(678.1)	(678.1)
Equity at 30 June 2019	784.8	(53.5)	(15.6)	2,208.6	2,924.3

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 non-current assets, 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 (IFRS) 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 six months of 2020, CPH invested DKK 902.0 million in intangible assets and property, plant and equipment. Major investments made during the first six 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 June 2020, CPH had entered into contracts to build and maintain facilities at a total value of DKK 477.1 million (31 December 2019: DKK 432.5 million) and other commitments amounting to DKK 34.9 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 June 2020	31 Dec 2019
Non-current liabilities	8,956.8	6,139.6
Current liabilities	147.5	2,248.7
Total	9,104.3	8,388.3

CPH had the following loans and credit facilities as at 30 June:

Loan	Currency	Fixed/ floating	Maturity date	Carrying amount		Fair value*	
				30 June 2020	31 Dec. 2019	30 June 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	1,100.0	-	1,100.0	-
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	43.1	44.6	43.2	48.7
Nordea Kredit**	DKK	Floating	30 Dec 2039	439.3	450.9	439.3	450.9
NIB***	DKK	Fixed	12 Feb 2026	91.8	99.4	95.2	104.7
NIB****	DKK	Fixed	19 Dec 2027	794.1	847.1	907.2	900.1
EIB****	DKK	Fixed	15 Dec 2026	250.0	250.0	252.2	275.1
EIB****	DKK	Fixed	7 Apr 2032	600.0	600.0	563.8	678.5
EIB****	DKK	Fixed	26 Jan 2033	400.0	400.0	405.9	459.7
EIB****	DKK	Fixed	14 Aug 2033	600.0	600.0	613.2	630.7
EIB****	DKK	Fixed	12 Apr 2034	700.0	700.0	681.6	782.6
USPP bond loan	DKK	Fixed	27 Aug 2025	1,055.0	1,055.0	1,219.4	1,203.7
USPP bond loan	USD	Fixed	29 Jun 2020	-	981.4	-	1,028.5
USPP bond loan	USD	Fixed	22 Aug 2023	1,064.8	1,068.2	1,213.9	1,194.2
USPP bond loan	GBP	Fixed	29 Jun 2020	-	201.6	-	212.8
Total				9,138.1	8,416.4	9,534.9	9,089.2
Loan costs for future amortisation				(33.8)	(28.1)	(33.8)	(28.1)
Total				(33.8)	(28.1)	(33.8)	(28.1)
Total				9,104.3	8,388.3	9,501.1	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 June 2020, guaranteed undrawn long-term credit facilities amounted to DKK 5.1 billion (31 December 2019: DKK 1.8 billion).

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

	Carrying amount		Fair value*	
	30 June 2020	31 Dec 2019	30 June 2020	31 Dec 2019
Derivative financial instruments				
Recognised under other financial assets	164.1	116.5	164.1	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 June 2020	31 Dec 2019
Other payables - non-current		
Holiday pay, frozen due to news holiday act	97.8	39.6
Balance at 31 December	97.8	39.6
Other payables - current		
Holiday pay and other payroll items	312.1	254.6
Interest payable	42.7	48.3
Cash flow hedge (USPP bond)	-	2.0
Other costs payable	49.8	52.4
Total	404.6	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

No 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 June 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 June 2020 and of the results of the Group's operations and the Group's cash flows for the period 1 January – 30 June 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, 5 August 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