

## Innovation packed half year with moderate recovery of air traffic

### 2021 Interim Results of Royal Schiphol Group

**The recovery of air traffic at Royal Schiphol Groups airports has so far been moderate. The interim results for the first six months of 2021 show that the COVID-19 pandemic and related travel restrictions still have an unprecedented impact. At the same time Royal Schiphol Group continued its strategy of building back better, with multiple innovations to improve the quality of the airports.**

In the first six months, Amsterdam Airport Schiphol experienced a drop in passenger numbers of 57.1% to 5.6 million (HY 2020: 13.1 million and HY 2019: 34.5 million). The number of air traffic movements at Schiphol was down by 25.8% to 86,037 (HY 2020: 115,952 and HY 2019: 242,107). Cargo volumes showed an increase of 27.7% to 838,000 tonnes (HY 2020: 656,000 tonnes). The number of passengers at Eindhoven Airport dropped to 288,109 (- 74.4%) and the number of air traffic movements to 3,745 (- 55.1%). Rotterdam The Hague Airport saw a decline of 79.8% to 55,484 passengers, with 690 air transport movements (- 72.6%) in the first half of 2021.

The net result for the first half of 2021 resulted in a loss of 158 million euros compared to a loss of 246 million euros for the first half of 2020 (HY 2019: positive result of 133 million euros). By excluding the fair value gains and losses and NOW government grants received, the net result slightly decreased to a loss of 258 million euros in the first half year of 2021 compared to a loss of 250 million euros (-3,3%) in the first six months of 2020.

Schiphol reduced overall operating expenses with around 20% by scaling down its operations and implementing cost saving measures, including services and contracts. In March Schiphol Group finalized the restructuring of the organization, adapting to the new circumstances and improving ways of working. In 2020, Schiphol reduced its expenditures for capital projects with around 25%. This continued in 2021.

#### Looking forward

CEO Dick Benschop of Royal Schiphol Group: "So far in 2021 we have seen recovery, but not as much as we expected. With higher vaccination rates and gradual lifting of travel restrictions we are moderately positive for the second half year. Meanwhile we keep investing in the quality of our service and the quality of the living environment in order to build back better."

#### Safe and responsible travel

To prevent transmission of COVID-19 and to give passengers and staff confidence in safe and responsible air travel, a full set of measures is in place. This includes information for passengers, the use of test and/or vaccination declarations, the wearing of face masks, improved ventilation and cleaning and the installation of sanitising equipment (including UV-C cleaning). Benschop: "International alignment on measures and ways to travel is crucial. The Coronacheck-app is an important step to make travelling more easy. Governments should align on lifting travel restrictions for fully vaccinated passengers. The EU has taken important steps and reciprocity is needed."

#### Innovations and improvements

Schiphol delivered, together with LVNL, a multiannual programme for reducing noise nuisance ([www.minderhinderschiphol.nl](http://www.minderhinderschiphol.nl)). The Notify app- was launched, which gives Schiphol's neighbours insight into air traffic at their location by providing real-time information.

A major project that has been delivered is the renovation of Departure Hall 1, which provides passengers more spacious environment and comfort. With the completion of the renovation all departure and transfer entryways at Schiphol are now equipped with new CT scans, whereby passengers can leave any liquids and electronics in their hand baggage.

Other innovations Schiphol completed or worked on in the first six months of 2021 are a trial with an autonomous baggage tractor, sustainable taxiing, research into new technology to reduce concentrations of ultrafine particles, participation in the e-fuel plant Synkero, participation in the electric flying initiative 'Power Up' and pre-ordering food and beverages in the Schiphol app.

#### **Outlook for 2021**

In line with our earlier outlook we estimate that the recovery of passenger volumes to 2019 levels will not happen before 2024. In view of the traffic realization in the first half of 2021 Schiphol Group lowers its expected amount of passengers for the full year from 27-37 million (as communicated on 19 February 2021) to 21-28 million for Amsterdam. The expected number of flights for the full year is between 240.000 and 275.000.

#### **Other key developments in the first half of 2021**

- The total number of passengers at the airports of Schiphol Group further fell by 58.9% to 6.0 million (HY 2020: 14.5 million).
- In the first six months of 2021, Schiphol invested 268 million euros in amongst others the redevelopment of Departure Hall 1, the realisation of the new pier and other construction projects at its airports.
- Royal Schiphol Group launched and priced 1,000 million euros in bonds under the Euro Medium Term Note programme.
- Royal Schiphol Group extended the strategic partnership with BAM, Heijmans and VolkerWessels until at least 2025. The core aim of the partnership is maintaining the existing infrastructure at Amsterdam Airport Schiphol.
- After a full year of partnership with the municipality of Amsterdam, 132 people with a disadvantage on the labour market have started work at Amsterdam Airport Schiphol.
- Amsterdam Airport Schiphol was named cargo airport of the year at the Air Cargo Week World Air Cargo Awards.
- Amsterdam Airport Schiphol reopened the Privium ClubLounge West. The renovated Privium ClubLounge West – previously known as Privium Airside Lounge – is an addition to the service offered by a Privium Plus membership at Amsterdam Airport Schiphol.
- On July 28 Aéroports de Paris and Royal Schiphol Group announced they will not renew the HubLink industrial cooperation agreement, which will expire on 30 November 2021. The current agreements provide a mechanism to unwind the cross-shareholding between Aéroports de Paris and Royal Schiphol Group which will come into effect on that date. This mechanism organizes an orderly sale of the shares over a period of 18 months, i.e. until 30 May 2023.
- Rotterdam The Hague Airport has been accredited at the highest level within the Airport Carbon Accreditation program of the international organization Airports Council International. Only four airports in the world took precedence. Rotterdam The Hague Airport is the second in Europe to achieve this so-called Level 4+.
- The European Commission unveiled 'Fit for 55'. This package contains measures that will support Europe's climate policy framework and put the EU on track for a 55% reduction in carbon emissions by 2030. Overall, Royal Schiphol Group is positive about the proposals, in particular about the blending obligation for sustainable fuels.

- In February, The Supervisory Board appointed Robert Carsouw as Royal Schiphol Group's Chief Financial Officer (CFO) as of 1 April.
- Elfriek van Galen joined the Supervisory Board of Royal Schiphol Group. Her appointment was confirmed at the shareholders' meeting on 13 April, for a period of four years.

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## Key figures

EUR million unless stated otherwise	HY 2021	HY 2020	%
<b>Results</b>			
Revenue	<b>257</b>	390	-34.1
Other results from investment property	<b>34</b>	-34	199.4
Operating expenses (excluding depreciation, amortisation and impairment)	<b>309</b>	435	-29.1
<b>EBITDA<sup>1</sup></b>	<b>-18</b>	-79	77.9
Depreciation, amortisation and impairment	<b>148</b>	154	-3.6
<b>Operating result</b>	<b>-166</b>	-233	28.9
Financial income and expenses	<b>-47</b>	-52	8.6
Share of results of associates and joint ventures	<b>-3</b>	-32	90.3
<b>Result before tax</b>	<b>-216</b>	-316	31.7
Corporate income tax	<b>53</b>	67	-21.0
<b>Result for the six month period</b>	<b>-163</b>	-249	34.6
<b>Result for the period attributable to shareholders</b>			
	<b>-158</b>	-246	35.8
<b>Total equity</b>			
	<b>3,637</b>	4,099	-11.3
Investments in intangible assets and property, plant & equipment	<b>268</b>	411	-34.8
Cash flow from operating activities	<b>-172</b>	-24	608.6
<b>Ratios</b>			
Leverage <sup>2</sup>	<b>59.8%</b>	46.9%	
Earnings per share (in EUR 1) <sup>3</sup>	<b>-850</b>	-1,324	
<b>Business volume (in numbers)</b>			
Air transport movements <sup>4</sup>	<b>90,553</b>	126,804	-28.6
Passenger movements (x 1,000) <sup>4</sup>	<b>5,952</b>	14,476	-58.9
Cargo (x 1,000 tonnes) <sup>4</sup>	<b>838</b>	656	27.7
Workforce in full-time equivalents <sup>4</sup>	<b>2,593<sup>5</sup></b>	2,702	-4.0

1) Operating result plus depreciation, amortisation and impairment

2) Leverage: interest-bearing debt / (total equity + interest-bearing debt)

3) Based on net result attributable to shareholders

4) Schiphol Group: Amsterdam Airport Schiphol, Eindhoven Airport, Lelystad Airport and Rotterdam The Hague Airport

5) On average, 275 employees are included from the reported workforce in full-time equivalents. These employees are technically part of the Schiphol workforce until 31 July 2021 but are non-active as a result of Project Reset. The active workforce is 2,318.

*This press release may contain certain forward-looking statements that are subject to risk in connection with financial factors and results of Royal Schiphol Group's operations, and in connection with certain plans and objectives of Royal Schiphol Group in this context. By their nature, forward-looking statements involve risk and uncertainty because they relate to or depend on future events and/or circumstances and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. Forward-looking statements and forecasts are based on current data and historical experience which are not necessarily indicative of future outcomes or the financial performance of Royal Schiphol Group and should therefore not be considered in isolation.*

## Revenue

EUR million	HY 2021	HY 2020	%
Airport charges	<b>95</b>	187	-49.0
Concessions	<b>23</b>	39	-40.7
Rent and leases	<b>87</b>	90	-2.5
Parking fees	<b>18</b>	31	-44.2
Other activities	<b>33</b>	44	-22.5
<b>Total revenue</b>	<b>257</b>	<b>390</b>	<b>-34.1</b>

Revenue further decreased by 133 million euros (-34%) in 2021, falling from 390 million euros for the first half of 2020 to 257 million euros for the first half of 2021. Lower revenue was driven by the continued significant drop in passenger numbers and ATMs as governments worldwide imposed travel restrictions to prevent the spread of COVID-19. The impact of COVID-19 has been more significant on the decrease in revenue during the first half year of 2021 in comparison with the decrease in revenue for the same period in 2020. More than two months of the first half of 2020 no COVID-19 impact was experienced until a steep decline in air traffic from late March 2020. The impact of COVID-19 was experienced during the entire first half of 2021. The total number of passengers using Schiphol Group's airports decreased by 58.9% to 6.0 million (HY 2020: 14.5 million).

Revenue from airport charges at Amsterdam Airport Schiphol, Eindhoven Airport and Rotterdam The Hague Airport decreased with 49% in the first half of 2021 to 95 million euros. This result was mainly driven by a further reduction in the number of passengers and air traffic movements because of the continued effect of the COVID-19 pandemic. The decrease was partly compensated with an increase in airport charges per passenger.

At Amsterdam Airport Schiphol, passenger numbers were down by 57.1% to 5.6 million while the number of air traffic movements decreased by 25.8% to 86,037. Cargo volumes increased by 27.7% to 838 tonnes (HY 2020: 656 tonnes). Revenue from airport charges at Amsterdam Airport Schiphol fell by 86 million euros to 91 million euros (HY 2020: 177 million euros).

At Eindhoven Airport, passenger numbers were down by 74.4% to 288,109 and the number of air traffic movements decreased by 55.1% to 3,745. Revenue from airport charges decreased with 49,4% to 2.9 million euros (HY 2020: 5.7 million euros).

Total revenue from airport charges at Rotterdam The Hague Airport fell by 63.5% or 2.7 million euros compared with the first half of 2020. The number of passengers served by Rotterdam The Hague Airport fell by 79.8% to 55,484. The number of air transport movements decreased by 72.6% to 690.

Compared with the first half of 2020, total revenue generated by concessions for Schiphol Group decreased by 41% following the decline in passenger numbers. At Amsterdam Airport Schiphol, average spend per passenger on retail Airside rose by 22.1% from 13.10 euros in the first half of 2020 to 16.0 euros in the first half of 2021; food & beverage spending per departing passenger also increased by 37.3% from 4.80 euros to 6.59 euros. The spend increases are due to relatively changed customer profiles (share of leisure passengers dropped) which resulted in a higher average transaction value per conversion of a departing passenger.

Revenue from rents and leases decreased slightly by 2% from 90 million euros to 87 million euros. This is primarily caused by the demolition of three cargo buildings to free up space for the new Quebec taxiway as well as increased vacancy in the WTC office. The average occupancy rate of Schiphol's total real estate portfolio in the first half of 2021 was 95.0%, which is above the average occupancy rate of 94.1% during the same period last year. This increase in occupancy can be attributed to our logistic real estate in Italy.

Total parking revenue decreased by 44%. Parking revenue at Amsterdam Airport Schiphol decreased by 11 million euros, driven by the decrease in passenger numbers as well as a shorter parking duration of the passengers that do park their car. For staff parking there is a decrease of 11.7% due to cancellation of subscriptions by customers. As of June 2021, we are seeing a slight increase in new applications for staff parking subscriptions. A similar development was seen at Eindhoven Airport and Rotterdam The Hague Airport.

Revenue from other activities decreased by 23% to 33 million euros, also due to the decline in passenger numbers. The decline is mainly driven by a decrease in passengers with reduced mobility, less passengers making use of premium services as well as advertising (media) activities due to less arriving and departing passengers.

#### Other income and changes in the value of investment property

In contrast with prior year, a mix of favourable and unfavourable market conditions contributed to a fair value gain on our commercial real estate portfolio of 34 million euros in the first half of 2021 (negative 34 million in the first half of 2020). This is mainly explained by the strong performance of logistic real estate market, the net initial yield (NIY) of cargo decreased which led to a gain of 30 million euros. However, due to the COVID-19 pandemic and the changing environment on the office market, especially in the secondary office markets, the yields rose. This led to a loss in value of 22 million euros. Fair value gains of 25 million euros were recognised on investment property under construction due to the change in construction plans and the signing of a new lease contract.

#### Operating expenses

EUR million	HY 2021	HY 2020	%
Costs of outsourced work and other external charges	<b>272</b>	343	-20.7
Depreciation, amortisation and impairment	<b>148</b>	154	-3.6
Employee benefits	<b>37</b>	92	-59.6
<b>Total operating expenses</b>	<b>457</b>	<b>589</b>	<b>-22.3</b>

Operating expenses decreased by 132 million euros from 589 million to 457 million euros for the first half of 2021. The decrease in operating expenses was partly due to the overall lower level of activities and traffic at Schiphol Group's airports which lead to lower costs. Various cost saving actions were implemented throughout the company to mitigate the revenue decline as much as possible.

Total operating expenses include the NOW (Noodmaatregel Overbrugging Werkgelegenheid) government grant contributions of 66 million euros for the first 6 months of 2021 (38 million euros for half-year 2020), of which Schiphol Group already received a portion thereof in advanced payments. Excluding the support received, operating expenses decreased by 16.5%.

Costs of outsourced work and other external charges decreased from 343 million euros to 272 million euros, mainly caused by decreased operational costs due to lower traffic and downsizing of operations.

Costs of security were 15 million euros lower in the first half of 2021 (62 million euros compared with 77 million euros the year before) partly as a consequence of the lower passengers numbers. Increased costs for security measures were incurred in the first half of 2021 as a result of increased tariffs per the new contracts as well as extra security measures taken due to COVID-19.

The costs of maintenance activities decreased with 9 million euros in the first six months of 2021 to 56 million euros (HY 2020: 65 million euros), mostly due to a reduction and postponement of maintenance costs where possible. During the first 3 months of 2020 there was no impact of the COVID-19 crisis on the passenger numbers. From April 2020, as a result of the crisis, some assets have come to a standstill and as many cutbacks as possible were made. This is still relevant for the entire first half of 2021.

Depreciation, amortisation and impairment is 6 million euros lower in the first half of 2021. Depreciation and amortisation decreased slightly with 2.8 million euros due to some assets reaching their end of life as well as lower capital expenditure when compared to prior years. Impairment (on financial assets) also decreased with 2.8 million euros (from 3.8 million euros to 1 million euros) for the first half of 2021.

Employee benefits decreased with 55 million euros when compared with the first half of 2020. This is mainly as a result of higher compensation received in the first half of 2021 compared with the first six months of 2020 (the NOW government grant was only available from March 2020). Excluding the NOW compensation provided by the Dutch government, employee benefits decreased with 27 million euros. This is as a result of a reduction of employees (and costs) due to Project Reset (reorganisation) which also had an impact on the decrease in employee benefits.

## Operating result

EUR million	HY 2021	HY 2020	%
Aviation	<b>-232</b>	-237	1.8
Schiphol Commercial	<b>80</b>	26	> 100
Alliances & Participations	<b>-13</b>	-22	38.9
<b>Total operating result</b>	<b>-166</b>	<b>-233</b>	<b>28.9</b>

Relative to the same period in the preceding year, the operating result for the first half of 2021 increased by 29% to 166 million euros negative (HY 2020: negative 233 million euros).

Effective 1 March 2021, Schiphol Group was restructured into three business areas: Aviation, Schiphol Commercial (previously: Consumer Products & Retail and Real Estate) and Alliances & Participations. This change had an impact on the (segmentation) reporting of Schiphol (including the table presented above). No significant changes occurred in Aviation and Alliances & Participations. Please see the composition of Schiphol Commercial below.

The operating result from Aviation slightly increased from 237 million euros negative to 232 million euros negative. The fall in revenue (by 48.7%) was somewhat compensated by the decrease in costs. The decrease in revenue was fully attributable to the continued decrease in traffic numbers due to the COVID-19 pandemic.

Schiphol Commercial consists of three main business activities: Commercial Real Estate, Commercial Terminal Services and Parking. The operating result of Schiphol Commercial increased in the first six months of 2021, from 26 million euros to 80 million euros. The operating result of Commercial Real Estate increased from 6 million euros to 71 million euros, mostly as a result of the fair value gain on investment property of 34 million euros (fair value loss 34 million in half year 2020).

Revenue decreased for Commercial Terminal Services by 14 million euros (negative 43.8%) to 17.4 million euros for the first half of 2021. This decrease is mainly driven by the passenger development. The operating result decreased from 21.8 million euros for the first half of 2020 to 16.2 million euros for the first 6 months of 2021, this is as a result of a drop in passenger numbers. Total parking revenue decreased by 44%. Parking revenue at Amsterdam Airport Schiphol decreased by 11 million euros, driven by the decrease in passenger numbers and shorter parking duration. For staff parking there is a decrease of 11.7% due to cancellations of subscription by customers. As of June 2021, we see a slight increase in new applications for staff parking subscriptions.

Also at our regional airports the impact of the COVID-19 pandemic resulted in a negative contribution to the overall results. The operating result of Alliances & Participations increased by 9 million euros compared with the first half of 2020.

## Financial income and expenses

The net financial expense for the first half of 2021 decreased from 52 million euros to 47 million euros. In the first half of 2020 the impact of the conversion of the redeemable preference shares held in Hobart International Airport (TGHC) was included which is not relevant for half year 2021. Excluding this, the net financial expense increased with 3 million euros due to an increase in borrowings.



### Share in results of associates and joint ventures

EUR million	HY 2021	HY 2020	%
Brisbane Airport Corporation Holdings (BACH)	11	-1	> 100
Groupe ADP	-16	-42	61.4
Hobart International Airport (TGHC)	-4	7	> 100
Other investments	6	4	60.7
	-3	-32	90.3
<b>Share in results of associates and joint ventures</b>			

The share in results of associates and joint ventures increased with 29 million euros to 3 million euros negative in the first half of 2021 (HY 2020: negative 32 million euros). The fluctuations in the share in the results of associates and joint ventures was mainly driven by a slight increase in our international activities. The international airports were also heavily impacted by the flight restrictions due to COVID-19, but some improvements in passenger numbers and flights were seen during the end of the first half of 2021.

### Corporate income tax

Corporate income tax amounted to 52.9 million euros income for the first half of 2021, compared with 67.0 million euros for the first half 2020. The negative results provide us with a tax benefit as the losses can be compensated by future benefits. In 2020, the tax burden was lower than the domestic income tax rate of 25%. The lower tax burden was mainly attributable to the application of the participation exemption to the results of associates and joint ventures. The effective tax benefit for the first half of the 2021 financial year is 24.5%.

### Net result

As a result of the developments outlined above, the net result for the first half of 2021 increased by 35.8% to 158 million euros negative (HY 2020: 246 million euros negative).

### Balance sheet and cash flow developments

The balance sheet total as at 30 June 2021 amounted to 9,641 million euros. This figure is 4% up compared with 31 December 2020 (9,280 million euros). Total equity decreased by 140 million euros to 3,637 million euros, largely due to the accumulated 2021 half-year losses of 163 million euros. No dividends were paid during 2020 and no dividends are expected to be paid over 2021.

Non-current assets increased by 230 million euros to 8,082 million euros as at 30 June 2021. The increase is mainly as a result of an increase in Assets under construction or development. This item increased by 90 million euros, largely due to the investments in fixed assets listed below, offset by assets which were commissioned during the first half of 2021. Within investment property, fair value gains of 34 million euros are included. The deferred tax asset include an additional amount of 43.8 million euros for the assessed losses for the first half of 2021.

Current assets increased by 131 million euros compared with 2020, in particular due to an increase in cash and cash equivalents by 110 million euros, which was mainly due to an increase in bank deposits. As at 30 June 2021, Schiphol Group holds 165 million euros in cash, 620 million euros in bank deposits and has invested

548.5 million euros in money market funds. This cash was generated by issuing two bonds in April 2021 under the EMTN programme for a total amount of 1,000 million euros. During April 2021, bonds to the value 438 million euros was repaid. 4.5 million euros was also paid on loans from the European Investment Bank.

In the first six months of 2021, Schiphol invested 268 million euros in assets, a decrease of 35% compared with the first half of 2020 (HY 2020: 411 million euros). This is as a result of managing the investment portfolio due to the COVID-19 pandemic. The most significant investments in the first half of 2021 are listed below:

- development of the new pier;
- redevelopment of Departure Hall 1;
- execution of maintenance on runway 18R-36L (Polderbaan) (and other airside assets);
- upgrading piers;
- completion of dual taxiway.

With shareholders' equity of 3,637 million euros and interest-bearing debts of 5,416 million euros, the leverage is 59.8% (compared with 56.3% as at 31 December 2020).

Cash flow from operating activities amounted to an outflow of 172 million euros in the first half of 2021, compared with 24 million euros outflow in the first half of 2020. This decrease was attributable to a higher outflow of working capital during 2021. Schiphol also received a tax refund from the *Belastingdienst* during the first half 2020 which resulted in an inflow, no tax payments or receipts occurred during the half-year 2021.

Cash flow from investing activities amounted to 275 million euros negative compared with 628 million euros negative over the same period last year. This is mainly as a result of investments in property, plant and equipment in the current half-year.

Cash flow from financing activities amounted to 556 million euros positive due to 996 million euros proceeds from issuing bonds of 1,000 million euros and repaying bonds and loans to the value 443 million euros.

Mainly as a consequence of the aforementioned negative developments in the operating result and the positive cash flow from financing activities, the net cash flow in the first half of 2021 amounted to 109 million euros positive (HY 2020: 181 million euros positive). As a result, the net amount of cash balances, taking into account exchange and translation differences, increased from 753 million euros as at 31 December 2020 to 863 million euros as at 30 June 2021.

In addition to these cash balances, Royal Schiphol Group has access to 1,075 million euros in committed and 330 million euros in uncommitted undrawn bank facilities.

## **Other developments**

### *Investments*

During the first half of 2021, work continued on the construction of the new pier. The progress of the construction is not as desired. We are discussing this with the contractor. At this point in time, we cannot make any statements regarding the delivery date and total investment.

For the years to come, substantial investments were planned to create capacity, quality and accessibility. As a result of the pandemic, the investment portfolio has been adjusted.

#### *Runway maintenance*

From 25 January until 15 May, runway 18R - 36L (Polderbaan) was taken out for major maintenance. During these maintenance works, an area of 600,000 square metres was renovated. 150,000 tonnes of asphalt were supplied and processed for the maintenance on the runway itself and on the surrounding taxiways. 60% of the asphalt that was removed from the runway and then recycled was used to lay the new layer of asphalt. The new asphalt on the Polderbaan Runway is an innovative asphalt mixture called Flightflex. Other works carried out on the runway include the installation of 70 kilometres of new cabling and the replacement of 2,100 runway lights, which are now more sustainable and durable LED lights. Furthermore, the maintenance involved replacing the Instrument Landing System (ILS), a system which helps aircraft make a gradual curved approach towards the runway, under the authority of Air Traffic Control the Netherlands (LNVL). From Monday 31 May until Monday 21 June, runway 18C - 36C (Zwanenburgbaan) was taken out for regular maintenance. The asphalt and markings were restored, the cabling and electrics checked, and the grassy areas around the runway were mowed.

#### *Towards Net Zero in 2050*

Research carried out by Schiphol and partners in the sector has shown that sustainable taxiing uses at least 50% less fuel than standard taxiing. This can lead to significant environmental benefits as planes produce fewer emissions at the airport. The viability study revealed that major adjustments need to be made to infrastructure, processes and technology for sustainable taxiing to become standard procedure at Schiphol. All parties involved are identifying the steps necessary to make sustainable taxiing the standard procedure by 2030.

Schiphol, Wageningen University & Research (WUR) and the Netherlands Aerospace Centre (NLR) are conducting research into an innovative technology to reduce the amount of ultrafine particles in the air and improve local air quality. They are investigating whether a special kind of mist can reduce ultrafine particles around the runways.

Royal Schiphol Group participates in Synkero, a project development start-up. Synkero aims to develop a commercial plant for the production of Sustainable Aviation Fuel (SAF). This so-called "e-fuel" will be produced using green hydrogen and CO<sub>2</sub>. This green hydrogen is produced from water and renewable energy. The factory will be located in the Port of Amsterdam, which has an existing kerosene pipeline to Amsterdam Airport Schiphol. The factory is scheduled to be completed in 2027. With this plant, Synkero's ambition is to produce 50,000 tons of sustainable aviation fuel annually. The production of sustainable aviation fuel is extremely important in order to achieve climate targets.

Royal Schiphol Group has joined the Mobility Alliance, a collaboration set up to make mobility more sustainable in the Netherlands. Together with the other 25 parties involved, Schiphol is committed to working on the accessibility, business climate and business model of the Netherlands.

The construction of a solar park at Rotterdam The Hague Airport started. With an area of 7.7 ha and more than 37,000 solar panels, the solar park at Rotterdam The Hague Airport is one of the largest solar parks in the Southwest Netherlands region.

#### *Credit ratings*

On 3 July 2020 Moody's reaffirmed Royal Schiphol Group's credit rating of A1 (negative outlook). S&P downgraded the rating on 15 July 2020 from A+ (creditwatch negative) to A (negative outlook). Both rating

agencies are closely monitoring the pattern and swiftness of the traffic recovery. The credit ratings of Royal Schiphol Group have been unchanged since the publication of our annual results over 2020.

#### *International*

In April, JFK International Air Terminal (JFKIAT), the operator of Terminal 4 at JFK International Airport in New York, reached an agreement on key terms with the Port Authority of New York and New Jersey and Delta Air Lines to expand and redevelop Terminal 4. JFKIAT's managing member is Schiphol USA Inc., a U.S. affiliate of Royal Schiphol Group. The expansion of Terminal 4 is not expected to lead to capital requirements for Royal Schiphol Group.

#### *Appointments*

As of 1 March 2021 Patricia Vitalis is the new director of Airport Operations & Aviation Partnerships. She succeeded Miriam Hoekstra-van der Deen.

The Supervisory Board appointed Robert Carsouw as Royal Schiphol Group's Chief Financial Officer (CFO) as of 1 April. He succeeded Jabine van der Meijs.

Elfriek van Galen has joined the Supervisory Board of Royal Schiphol Group. Van Galen was appointed as of 13 April 2021 for a period of four years.

The third and final term as member of the Supervisory Board of Joop Wijn expired on 1 June 2021.

As of 15 Augustus 2021, Anne Hustinx will be director of Procurement & Contracting at Royal Schiphol Group. She succeeds Job Verkerke. Anne Hustinx will also be staying on as director of Corporate Legal. Both departments will remain independent of each other.

As of 1 September 2021, Esmé Valk will be director of Human Resources at Royal Schiphol Group. She succeeds Heleen Kuijten.

#### *Principal risks and risk management*

As a result of its vital role in Dutch infrastructure to connect the Netherlands and as a safe as well as financially robust business, Royal Schiphol Group is subject to a range of strategic, operational, financial and compliance risks. Risk management (the identification and mitigation of risks) is an integral part of our business processes. The 2020 Annual Report describes Schiphol Group's risk management policy and the most important risks facing Schiphol Group.

As part of the company's regular risk management assessment, our risks have been evaluated at the half year. The outcome of the risk assessment has led to no changes to the Top Ten Risk Categories in substance, yet naming of categories is further aligned with the strategy. During the assessment, a number of key risks appear more prominent. These include potential structural changes within the airline industry as a consequence of COVID-19 plus dependency on sector partners including the major airlines, RSG not delivering on its sustainability promise (or insufficiently ambitious plans) given the increasing (public and political) concern for the environment and the ability within operations of scaling up (and down) within a COVID-19 environment (operational adaptability). External threats from cyber crime impacting our business continuity remains a key risk. For reference purposes, certain specific financial risks are noted in the section on the management of financial risks and financial instruments. For these and other risks mitigations and action plans are in place.

The principal risk categories are:

- Quality of Network
- Quality of Life
- Airport Service
- Business Continuity
- IT & Data Availability & Reliability
- Safety & Security
- Organisation & Workforce
- Regulation & Compliance
- Finance & Value Management
- Project Execution

#### *Outlook for 2021*

The COVID-19 pandemic has had and continues to have an adverse effect on passenger demand for air travel at Royal Schiphol Group's airports. Over the first half of 2021 passenger demand for air travel has been at a low level. Schiphol Group therefore lowers its expected amount of passengers for the full year from 27-37 million to 21-28 million for Amsterdam. Amsterdam Airport Schiphol welcomed 5.6 million passengers and 86,037 air traffic movements over the first six months. Since April 2021 we see traffic numbers increasing whereby demand for the summer months, naturally subject to potential changes to (inter)national travel restrictions as a result of COVID-19 infection rates, is expected to increase significantly. In line with our earlier outlook we estimate that the recovery of passenger volumes to 2019 levels will not happen before 2024.

The Management Board declares that to its knowledge:

- the condensed consolidated interim financial statements give a true and fair view of the financial assets, liabilities, financial position and results of Schiphol Group as well as the combined consolidated enterprises;
- the interim report gives a true and fair view of the situation on the balance sheet date, developments over the course of the first half of Schiphol Group's financial year and of the associated enterprises whose data are included in the interim report.

The risks associated with business operations could result in discrepancies between the actual results and the results described in forward-looking statements in this document.

*This press release may contain information that qualifies as inside information about Royal Schiphol Group within the meaning of Article 7(1) of the Market Abuse Regulation (596/2014/EU).*

*Marije Sotthewes, Senior Manager Finance Operations & Reporting*

Schiphol, 26 August 2021

#### **Note for editors and investors:**

- Royal Schiphol Group also provides access to the 2021 Interim Report via <https://www.schiphol.nl/en/schiphol-group/page/financial-information/>

## Royal Schiphol Group 2021 condensed consolidated interim financial statements

### Condensed consolidated statement of income for the first half of 2021

(in thousands of euros)	HY 2021	HY 2020
<b>Revenue</b>	<b>257,019</b>	<b>390,293</b>
Other results from investment property	<b>34,007</b>	-34,228
Cost of contracted work and other external costs	<b>271,191</b>	342,888
Employee benefits	<b>37,338</b>	92,394
Depreciation, amortisation and impairment	<b>148,054</b>	153,521
<b>Total operating expenses</b>	<b>456,583</b>	<b>588,803</b>
<b>Operating result</b>	<b>-165,557</b>	<b>-232,738</b>
Financial income	<b>7,353</b>	8,523
Financial expenses	<b>-54,583</b>	-60,186
<b>Financial income and expenses</b>	<b>-47,230</b>	<b>-51,663</b>
Share of results of associates and joint ventures	<b>-3,071</b>	-31,767
<b>Result before income tax</b>	<b>-215,858</b>	<b>-316,168</b>
Income tax	<b>52,916</b>	67,011
<b>Result for the period</b>	<b>-162,942</b>	<b>-249,157</b>
Attributable to:		
Non-controlling interests	<b>-4,701</b>	<b>-2,714</b>
Shareholders (net result)	<b>-158,241</b>	<b>-246,443</b>
<b>Earnings per share (in euros)</b>	<b>-850</b>	<b>-1,324</b>

## Consolidated statement of comprehensive income for the first half of 2021

### Condensed consolidated statement of comprehensive income

(in thousands of euros)

	HY 2021	HY 2020
<b>Result</b>	<b>-162,942</b>	<b>-249,157</b>
Foreign operations - currency translation reserve	2,121	-6,165
Changes in fair value on hedge transactions	11,269	-3,926
Share of OCI of associates after taxes	9,864	-13,544
	<hr/>	<hr/>
<b>Other comprehensive income, net of tax, to be reclassified to profit or loss in subsequent periods</b>	<b>23,254</b>	<b>-23,635</b>
Share of OCI of associates after taxes	1	-
	<hr/>	<hr/>
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>	<b>1</b>	<b>-</b>
	<hr/>	<hr/>
<b>Other comprehensive income</b>	<b>23,255</b>	<b>-23,635</b>
<b>Total comprehensive income</b>	<b>-139,687</b>	<b>-272,792</b>
Attributable to:		
Non-controlling interests	-4,554	-2,714
Shareholders (net result)	-135,134	-270,078

## Consolidated statement of financial position as at 30 June 2021

### Assets

#### Assets

(in thousands of euros)

	<b>30 June 2021</b>	31 December 2020
Intangible assets	<b>154,583</b>	149,246
Assets used for operating activities	<b>3,261,292</b>	3,236,980
Assets under construction or development	<b>1,402,362</b>	1,312,719
Investment property	<b>1,776,152</b>	1,722,904
Deferred tax assets	<b>229,546</b>	185,795
Equity-accounted associates and joint ventures	<b>1,075,474</b>	1,067,613
Loans to associates	<b>142,960</b>	138,628
Other non-current receivables	<b>39,895</b>	38,374
<b>Non-current assets</b>	<b>8,082,264</b>	<b>7,852,259</b>
Trade and other receivables	<b>692,551</b>	673,949
Current income tax assets	<b>3,678</b>	465
Cash and cash equivalents	<b>862,981</b>	753,449
<b>Current assets</b>	<b>1,559,210</b>	<b>1,427,863</b>
<b>Total assets</b>	<b>9,641,474</b>	<b>9,280,122</b>



## Liabilities

### Equity and liabilities

(in thousands of euros)

**30 June 2021** 31 December 2020

Issued share capital	<b>84,511</b>	84,511
Share premium	<b>362,811</b>	362,811
Retained profits	<b>3,233,849</b>	3,392,067
Other reserves	<b>-89,703</b>	-112,958
	<hr/>	<hr/>
<b>Equity attributable to owners of the Company</b>	<b>3,591,468</b>	<b>3,726,431</b>
Non-controlling interests	<b>45,717</b>	50,271
	<hr/>	<hr/>
<b>Total equity</b>	<b>3,637,185</b>	<b>3,776,702</b>
Loans and borrowings	<b>5,391,509</b>	4,403,874
Employee benefits	<b>35,492</b>	63,281
Provisions	<b>33,055</b>	36,251
Deferred tax liabilities	<b>12,108</b>	11,752
Other non-current liabilities	<b>105,379</b>	105,086
	<hr/>	<hr/>
<b>Non-current liabilities</b>	<b>5,577,543</b>	<b>4,620,244</b>
Loans and borrowings	<b>6,252</b>	444,092
Current income tax liabilities	<b>1,038</b>	3,565
Provisions	<b>3,448</b>	7,484
Trade and other payables	<b>416,008</b>	428,035
	<hr/>	<hr/>
<b>Current liabilities</b>	<b>426,746</b>	<b>883,176</b>
	<hr/>	<hr/>
<b>Total liabilities</b>	<b>6,004,289</b>	<b>5,503,420</b>
	<hr/>	<hr/>
<b>Total equity and liabilities</b>	<b>9,641,474</b>	<b>9,280,122</b>

## Condensed consolidated statement of changes in equity for the first half of 2021

(in thousands of euros)

	Attributable to shareholders					Non-controlling interests	Total
	Issued share capital	Share Premium	Retained profits	Other reserves			
<b>Balance at 31 December 2019</b>	<b>84,511</b>	<b>362,811</b>	<b>3,954,697</b>	<b>-85,368</b>	<b>55,386</b>	<b>4,372,036</b>	
Comprehensive income	-	-	-246,443	-23,635	-2,714	<b>-272,792</b>	
Dividend paid	-	-	-	-	-	-	
Other	-	-	-62	-	-	<b>-62</b>	
<b>Balance at 30 June 2020</b>	<b>84,511</b>	<b>362,811</b>	<b>3,708,192</b>	<b>-109,003</b>	<b>52,672</b>	<b>4,099,183</b>	
Comprehensive income	-	-	-316,187	-3,955	-2,401	<b>-322,545</b>	
Dividend paid	-	-	-	-	-	-	
Other	-	-	63	-	-	<b>63</b>	
<b>Balance at 31 December 2020</b>	<b>84,511</b>	<b>362,811</b>	<b>3,392,067</b>	<b>-112,958</b>	<b>50,271</b>	<b>3,776,702</b>	
Comprehensive income	-	-	-158,241	23,255	-4,701	<b>-139,687</b>	
Dividend paid	-	-	-	-	-	-	
Other	-	-	23	-	147	<b>170</b>	
<b>Balance at 30 June 2021</b>	<b>84,511</b>	<b>362,811</b>	<b>3,233,849</b>	<b>-89,703</b>	<b>45,717</b>	<b>3,637,185</b>	

	<b>dividend for 2020, paid in 2021</b>	<b>dividend for 2019, paid in 2020</b>
Dividend attributable to shareholders (in euros)	-	-
Average number of shares in issue during the year	<b>186,147</b>	186,147
Dividend per share (in euros)	-	-

No dividends will be distributed for 2020.

## Consolidated statement of cash flows for the first half of 2021

(in thousands of euros)

	HY 2021	HY 2020
<b>Result</b>	<b>-162,942</b>	<b>-249,157</b>
Income tax expense recognised in the profit or loss	-52,916	-67,011
Share of results of associates and joint ventures	3,071	31,767
Financial income and expenses	<u>47,230</u>	<u>51,663</u>
	<b>-2,615</b>	<b>16,419</b>
<b>Operating result</b>	<b>-165,557</b>	<b>-232,738</b>
Adjustments for:		
Depreciation and amortisation expenses	146,996	153,521
Impairment loss	1,058	-
Result on disposal of investment property	-	-207
Fair value changes of investment property	-33,943	34,435
Other non cash changes other receivables and liabilities	-345	-307
Result on disposal of property, plant and equipment	-64	61
Change in employee benefits and other provisions	<u>-6,138</u>	<u>459</u>
	<b>107,564</b>	<b>187,962</b>
<b>Operating result after adjustments</b>	<b>-57,994</b>	<b>-44,776</b>
Changes in working capital	-61,105	-5,517
<b>Cash flow from operations</b>	<b>-119,098</b>	<b>-50,293</b>
<b>Cash flow from operations</b>		
Income tax received	-	60,685
Income tax paid	-403	-
Interest paid	-52,817	-35,900
Interest received	-	1,269
Dividends received	<u>563</u>	<u>-</u>
<b>Cash flow from operating activities</b>	<b>-171,755</b>	<b>-24,239</b>
Payments for intangible assets	-16,553	-16,700
Payments for property, plant and equipment and investment property	-257,409	-304,562
Proceeds from disposals of assets	68	-146
Acquisitions of associates	-	-3,823
Share capital withdrawals (contributions) to associates	-426	-
Loans to associates and joint ventures	-	-117,807
Proceeds from other loans	54	-
Investments in deposits	-1,155	-185,000
Proceeds from deposits	<u>24</u>	<u>-</u>
<b>Cash flow from investing activities</b>	<b>-275,397</b>	<b>-628,038</b>
<b>Free cash flow</b>	<b>-447,152</b>	<b>-652,276</b>

(in thousands of euros)	HY 2021	HY 2020
Proceeds from borrowings	<b>996,114</b>	1,345,099
Repayment of borrowings	<b>-442,947</b>	-506,595
Proceeds from other non-current liabilities	<b>1,998</b>	-
Payment of lease liabilities	<b>-427</b>	-896
Cash flows from collaterals	<b>1,620</b>	-4,350
<b>Cash flow from financing activities</b>	<b>556,358</b>	<b>833,258</b>
<b>Net cash flow</b>	<b>109,206</b>	<b>180,981</b>
Opening balance of cash and cash equivalents	<b>753,449</b>	155,072
Net cash flow	<b>109,206</b>	180,981
Exchange and translation differences	<b>326</b>	-40
<b>Closing balance of cash and cash equivalents</b>	<b>862,981</b>	<b>336,013</b>

## **Notes to the condensed consolidated interim financial statements**

### **General information**

Royal Schiphol Group N.V. is a public limited liability company (two-tier status company) with its registered office in the municipality of Haarlemmermeer. The address of the company's registered office is Evert van de Beekstraat 202, 1118 CP Schiphol, the Netherlands. Royal Schiphol Group N.V. trades under the names of Schiphol Group, Luchthaven Schiphol and Royal Schiphol Group N.V.

Royal Schiphol Group N.V. is an airport company with an important socio economic function. Airports in the Group create value for society and for the economy. 'Connecting your world' embodies 'the Why' of Royal Schiphol Group: 'Connecting your world' by orchestrating inspiring journeys and creating the world's most sustainable, high-quality airports. Our airports allow international trade, tourism and knowledge exchange to flourish by providing top-quality aviation infrastructure as well as air transport facilities for passengers and cargo.

### **Accounting policies**

These condensed consolidated interim financial statements (hereinafter: 'interim financial statements') have been prepared in accordance with IAS 34; 'Interim Financial Reporting' and have not been audited but have been reviewed. These interim financial statements should be read in conjunction with the Schiphol Group financial statements for the financial year ended 31 December 2020.

Full details of the accounting policies for consolidation, measurements, assumptions and estimates used in these interim financial statements can be found in Schiphol Group's 2020 financial statements. These accounting policies are in accordance with IFRS and have been consistently applied to all the information presented in these interim financial statements.

The corporate income tax in the interim financial statements is based on the expected average tax rate for 2021 and was adjusted for untaxed and non-deductible items in line with the preceding year.

### **Change in operating segments**

The COVID-19 crisis made it necessary for Schiphol Group to adapt and improve the organisation. The organisational structure was simplified by merging a number of business areas and departments to be less complex and to work (together) more efficiently.

Effective 1 March 2021, Schiphol Group was restructured into three business areas: Aviation, Schiphol Commercial (previously: Consumer Products & Retail and Real Estate) and Alliances & Participations. This had a material impact on the current reporting segments. Please see the [Segmentation Information](#) for the current half-year and restated prior year figures.

### **New standards and amended standards which are mandatory with effect from 2021 or later**

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted. Schiphol Group has not early adopted any of the forthcoming new or amended standards in preparing these condensed consolidated interim financial statements.

There are a number of standards that apply as from 1 January 2021:

- Interest Rate Benchmark Reform Phase 2 - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16;
- Onerous Contracts: Cost of Fulfilling a Contract - Amendments to IAS 37;
- Annual Improvements to IFRS Standards 2018-2020 - Amendments to IFRS 1, IFRS 9, illustrative examples accompanying IFRS 16 and IAS 41;
- Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16;
- Reference to the Conceptual Framework - Amendments to IFRS 3;
- Classification of Liabilities as Current or Non-current - Amendments to IAS 1;
- IFRS 17 Insurance Contracts;
- Definition of Accounting Estimates - Amendments to IAS 8;
- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2.

These standards have been determined to have no material impact on the financial reporting of Schiphol Group.

### **Management of financial risks and financial instruments**

Due to the nature of its activities, Schiphol Group faces a variety of financial risks, including market risks, counterparty risks, liquidity risks and tax risks. These interim financial statements must be read in conjunction with the Schiphol Group 2020 financial statements, which include comprehensive descriptions of these risks. There have been no significant changes to these financial risks and other circumstances which, other than described, have an effect on the value of the assets and liabilities.

#### *Fair value of financial instruments*

No shifts have occurred between the different levels of valuation at fair value. Derivatives are measured at fair value (level 2). Fair value is based on quoted prices for similar assets and liabilities in active markets or inputs that are derived from or corroborated by observable market data. This valuation is updated in each reporting period. With regard to trade receivables, cash and cash equivalents, debts to suppliers and interest payable, it is assumed that the carrying amount approximates the fair value.

#### *Fair value of investment property*

All building and land properties are measured at fair value. Investment property is classified as level 3 valuations. The fair value is based on the market value, being the estimated amount for which investment property can be traded on the valuation date between a buyer and a seller willing to do business in an objective, arm's length transaction. The calculation of the cash flows, which is a factor in determining the fair value at which investment property is stated in the balance sheet, takes into account the lease incentives granted. After all, the lease incentives are recognised separately as assets on the balance sheet under other non-current receivables and trade and other receivables.

At 30 June 2021, 100% of the building portfolio was externally appraised by independent external appraisers. In 2021, the appraisers are JLL, CBRE and Savills. The variables for the land positions were provided by CBRE and Savills.

The valuation method used in order to appraise buildings is a combination of the net initial yield (NIY) method and the discounted cash flow (DCF) method. The NIY method uses a net market rent which is capitalised with an NIY and is adjusted for all elements that differ from the market assumptions. The NIY is

determined on the basis of comparable market transactions, supplemented with market and object-specific knowledge. Deviating assumptions include contractual rent, vacancy information, deferred maintenance and rent holidays. The net cash flows estimated via the DCF method are discounted at a risk-adjusted discount rate which includes specific object and location assumptions.

#### **Information on seasonal effects**

Operating airports is subject to seasonal effects. Usually, the income and expenditure included in these interim financial statements for the first six months of 2021 relate to approximately 49% of the expected number of air transport movements for the full year and approximately 49% of the expected number of passenger movements for the full year. Considering the current impact and unpredictability of the continued development of the COVID-19 virus, this assumption is now uncertain.

#### **Update on the continued impact of COVID-19 on the financial statements**

##### *Schiphol Group's ability to continue as a going concern:*

The COVID-19 outbreak has continued to develop in 2021 and has further impacted the operations and cash flows of Schiphol Group significantly. A loss of 158 million euros was recognised for the six months ending 30 June 2021 (compared with a loss of 246 million euros for the first half of 2020). This is mainly as a result of the continued (air) travel restrictions and border closures imposed by governments to contain the spread of the virus. The result was a significant decrease in passenger numbers and therefore in revenues.

Schiphol Group continued to focus on financial and operational optimisation by focusing on minimising operating expenses spend and realising structural cost reduction as a result of Project Reset. Continued focus on size and timing of CAPEX spending and remaining flexible to adjust CAPEX target setting, for example postponing some of the growth investments (such as the new terminal).

The timing, speed and extend of recovery of the results of operations, prospects and financial conditions in the next few months and years from the impact of COVID-19 is uncertain and difficult to predict. Based on current information, an estimated recovery of passenger volumes to 2019 levels will not occur before 2024.

Management has modelled a number of different scenarios considering a period of minimum 12 months from the date of authorisation of these interim financial statements. The assumptions underlying the scenarios are based on the estimated potential impact of COVID-19 restrictions and regulations and expected levels of passenger numbers and air transport movements, along with management's proposed responses over the course of the period.

As a result Schiphol Group evaluated its ability to continue as a going concern. Schiphol has sufficient funding available and raised adequate resources in the first half of 2021 from the issuance of two bonds totalling 1,000 million euros under the EMTN programme, while continuing to finance the ongoing operational cash flows and the committed capital investments of approximately 300 million euros. Management therefore expects that Schiphol Group has adequate resources to continue in operations for at least the next 12 months and that the going concern basis of accounting remains appropriate.

##### *Fair value gain on investment property:*

The outbreak of COVID-19 has affected economic activity in many sectors. In 2020, the appraisers assumed that they can attach less weight to previous market evidence for comparison purposes, to form opinions on



the value of the properties. In the period from March to June 2020 fewer transactions also took place, which meant that less weight can be attached to the transactions that did take place.

As a result of the unfavourable market conditions and uncertainties arising in 2020, the real estate portfolio of Schiphol Group was significantly impacted with a significant fair value loss of 34 million euros for the first half of 2020. However, the conditions have improved significantly in the first half of 2021 which resulted in a fair value gain of 34 million euros. No additional information with regards to the sensitivity analysis is included for this half of 2021.

*Government grants:*

Schiphol Group has received advanced payments for the NOW 3.4 (January - March 2021) and NOW 3.5 (April - June 2021) to the amount of 39.9 million euros. The support grant is a temporary governmental compensation for labour costs and is granted to companies which lost a substantial amount of income due to the pandemic.

The grants were recognised as a deduction to the related operating expenses in the condensed consolidated statement of profit and loss and OCI.

The final amounts for all grants received are subject to an external audit.

*Income tax expenses:*

The Corona Tax Reserve was introduced as part of the *Belastingplan 2021*. Schiphol Group has recognised 98.5 million euros of assessed losses for 2020 (after the set-off against the 2019 profit) as a deferred tax asset in terms of IAS 12 *Income Taxes*. An additional amount of 43.8 million euros was recognised for the first half of 2021.

As from 1 January 2022, the Dutch corporate income tax loss relief rules are revised (this was included in the *Belastingplan 2021*). Following the revised rules, a tax loss can be carried back one year and carried forward indefinitely subject to a quantitative restriction.

Management revised the estimates of future taxable profits as part of the scenario forecast and concluded that Schiphol Group will recover the deferred tax asset against future taxable profit.

*Impairment assessments of non-financial assets:*

Several external sources of information indicate the possible existence of impairment as a result of the COVID-19 pandemic. Pursuant with IAS 36 *Impairment of Assets* and the Impairment Policy of Schiphol Group, all investments in subsidiaries, associates and joint arrangements have been assessed for possible impairments by Schiphol Group.

For the period ending 30 June 2021, it was assessed that no impairment is required for CGU Amsterdam Airport Schiphol, Schiphol Airport Retail, Eindhoven Airport, Lelystad Airport, Rotterdam The Hague Airport, Groupe ADP, Hobart International Airport and Brisbane Airport. The fair value of each investment and CGU will exceed the invested capital.

Judgement is required in projecting future cash flows for the CGU and investments given the unprecedented volatility and uncertainty of the effects of COVID-19. The duration and impact of the limitations to operate as a result of COVID-19 is uncertain. The forecasts (with the exception of Groupe ADP) were prepared under the

assumption of a recovery within a 3 - 4 year planning horizon as most airports are expected to recover by 2023 - 2025.

Over the first six months of 2021, Amsterdam Airport Schiphol, Schiphol Airport Retail, Eindhoven Airport and Rotterdam The Hague Airport experienced slow months due to European and worldwide travel restrictions. However, a fast recovery of traffic expected over the summer period on the back of vaccination rollout and travel restrictions being eased across Europe. Despite the slow start of the year, the headroom between fair value and book value is sufficient and therefore no impairment is considered.

Despite volatility in traffic due to temporary lockdowns and interstate border closures in Australia, domestic traffic at the airports of Brisbane and Hobart continues to show recovery during the first six months of 2021. When comparing Hobart Airport's performance with the business case used in the most recent impairment analysis, performance during the first half year of 2021 is in line with expectations. As developments improved, no impairment was considered for Hobart Airport.

The market share price of Groupe ADP is relatively volatile as a result of the impact of COVID-19 on the business as a whole. However, as at 30 June 2021, the market share price of Groupe ADP slightly increased compared to 31 December 2020.

#### *Restructuring Provision:*

Schiphol management has taken the decision during 2020 that it was required to reset and restructure the whole organisation in order to respond to the negative impact of the COVID-19 pandemic. A restructuring provision to the amount of 63.4 million euros was recognised during year-end. The provision as at 30 June 2021 is amounting to 40.3 million euros. 17.5 million euros were paid out to the relevant employees in the first half of 2021 and the remaining 5.6 million euros were released to the income statement as a result of more accurate information being available at 30 June 2021 (compared to a best estimate at year-end).

The provision has been split in 3 parts: 27.1 million euros allocated to the known employees which will be settled within 12 months are included as part of Trade and other payables, 3.4 million euros which include uncertainty and estimates with regards to the number of employees (but which will also be settled within one year) is included in Provisions and the remaining portion of 9.8 million euros with regards to the unemployment provision is included in Employee benefits.

#### **Other information**

##### *Groupe ADP agreement - update on extension:*

Since 2008, Royal Schiphol Group has had a long-term industrial cooperation ('HubLink') and cross-participation with Groupe ADP. In 2020, Schiphol Group and Groupe ADP extended the agreement by one year until 30 November 2021 with the aim to investigate a potential new long-term industrial cooperation agreement.

However, it was announced on the 28th of July 2021 that Groupe ADP and Schiphol Group will not renew the HubLink industrial cooperation agreement (which will expire on 30 November 2021). The current agreements provide a detailed exit mechanism to unwind the cross-shareholding between Groupe ADP and Schiphol Group which will come into effect on 30 November 2021. This mechanism organises an orderly sale of the shares against fair market value within a period of 18 months (until 30 May 2023). First, Schiphol Group will

have to sell its shares in Groupe ADP after which Schiphol Group will buy back the Schiphol Group shares from Groupe ADP.

As at 30 June 2021, the investment in Groupe ADP accounted for under the equity method amounts to 624 million euros.

*Settlement of airport charges - update on the contingent asset:*

The Annual Report of 2020 mentioned a provisionally determined claim on the sector of approximately 550 million euros. In May 2021 the Regulatory Accounts 2020 was published, which included a final settlement on the sector of 528 million euros, to be divided in three equal parts in the years 2022-2024. The current legal framework offers too little flexibility to set the charges in such a way that it safeguards the financial stability on the one hand (by retaining entitlement to set offs), and on the other hand does not unduly hinder the recovery of the market and the development of the charges. In close consultation with other public stakeholders and Schiphol, the Minister of Infrastructure & Water Management has initiated a legislative procedure to change the settlement method for the years 2020 and 2021 of the Schiphol Airport Operation Decree 2017 (in Dutch: "Besluit exploitatie luchthaven Schiphol 2017") by adding a more flexible option for settlements related to traffic and transport.

The intended amendment of the Schiphol Airport Operation Decree, according to the latest information, will most likely come into force early September 2021 and involves two aspects: firstly for traffic and transport related elements (both costs and revenues 635 million euros) the settlement can be postponed with one year and, in addition, it can be flexible determined over the three years (instead of three equal parts). All other elements of the settlement remain unchanged and are part of the consultation of airport charges 2022-2024 (-/- 107 million euros).

Schiphol is currently in discussion with the regulator about two components of the settlement 2020, concerning the restructuring provision and the NOW government grant contributions. This can affect the amount of the settlement.

## Other notes

### Segment information

		<b>Schiphol</b>	<b>Alliances &amp;</b>	
	<b>Aviation</b>	<b>Commercial</b>	<b>Participations</b>	<b>Total</b>
<b>HY 2021</b>				
(in thousands of euros)				
Airport charges	90,564	-	4,698	<b>95,262</b>
Concessions	4,231	18,327	581	<b>23,139</b>
Rent and leases	122	97,515	2,939	<b>100,576</b>
Parking fees	-	17,609	1,102	<b>18,711</b>
Other activities	8,458	9,788	43,984	<b>62,230</b>
<b>Total revenue</b>	<b>103,375</b>	<b>143,238</b>	<b>53,304</b>	<b>299,918</b>
Elimination of intercompany revenue	-225	-13,660	-29,014	<b>-42,899</b>
<b>Revenue</b>	<b>103,151</b>	<b>129,578</b>	<b>24,290</b>	<b>257,019</b>
Other income and results from investment property	-	34,007	-	<b>34,007</b>
Operating result	-232,220	79,891	-13,227	<b>-165,557</b>
Total assets	4,220,463	3,560,102	1,860,908	<b>9,641,474</b>
		<b>Schiphol</b>	<b>Alliances &amp;</b>	
	<b>Aviation</b>	<b>Commercial</b>	<b>Participations</b>	<b>Total</b>
<b>HY 2020 restated<sup>1</sup></b>				
(in thousands of euros)				
Airport charges	176,522	-	10,186	<b>186,708</b>
Concessions	4,101	32,890	2,059	<b>39,051</b>
Rent and leases	103	102,121	2,424	<b>104,648</b>
Parking fees	-	28,581	3,858	<b>32,439</b>
Other activities	9,978	18,146	48,429	<b>76,553</b>
<b>Total revenue</b>	<b>190,705</b>	<b>181,739</b>	<b>66,956</b>	<b>439,400</b>
Elimination of intercompany revenue	-600	-16,179	-32,328	<b>-49,107</b>
<b>Revenue</b>	<b>190,105</b>	<b>165,559</b>	<b>34,629</b>	<b>390,293</b>
Other income and results from investment property	-	-33,901	-327	<b>-34,228</b>
Operating result	-236,646	25,571	-21,664	<b>-232,739</b>
Total assets	3,485,021	3,129,683	1,708,921	<b>8,323,625</b>

1) The half year 2020 information has been restated in all tables to reflect the change in reporting segments

Aviation (in thousands of euros)	Aviation		Security		Total	
	HY 2021	HY 2020 restated <sup>1</sup>	HY 2021	HY 2020 restated <sup>1</sup>	HY 2021	HY 2020 restated <sup>1</sup>
Airport charges	65,012	115,196	25,552	61,326	90,564	176,522
Concessions	4,231	4,102	-	-	4,231	4,102
Rent and leases	-	-	122	103	122	103
Other activities	4,627	8,516	3,831	1,462	8,458	9,978
<b>Total revenue</b>	<b>73,869</b>	<b>127,814</b>	<b>29,506</b>	<b>62,891</b>	<b>103,375</b>	<b>190,705</b>
Elimination of intercompany revenue	-163	-452	-61	-148	-225	-600
<b>Revenue</b>	<b>73,706</b>	<b>127,362</b>	<b>29,445</b>	<b>62,743</b>	<b>103,151</b>	<b>190,105</b>
Operating result	-146,940	-149,346	-85,280	-87,300	-232,220	-236,646
Total assets	3,708,217	3,041,781	512,246	443,240	4,220,463	3,485,021

Schiphol Commercial (in thousands of euros)	Commercial Terminal Services		Parking		Commercial Real Estate		Total	
	HY 2021	HY 2020 restated <sup>1</sup>	HY 2021	HY 2020 restated <sup>1</sup>	HY 2021	HY 2020 restated <sup>1</sup>	HY 2021	HY 2020 restated <sup>1</sup>
Concessions	17,414	30,999	677	1,703	236	189	18,327	32,890
Rent and leases	36,159	36,480	481	245	60,874	65,395	97,515	102,121
Parking fees	-	-	14,901	25,627	2,708	2,954	17,609	28,581
Other activities	8,891	13,709	373	580	524	3,858	9,788	18,146
<b>Total revenue</b>	<b>62,464</b>	<b>81,187</b>	<b>16,431</b>	<b>28,155</b>	<b>64,342</b>	<b>72,396</b>	<b>143,238</b>	<b>181,739</b>
Elimination of intercompany revenue	-4,337	-11,068	-852	-764	-8,471	-4,347	-13,660	-16,179
<b>Revenue</b>	<b>58,128</b>	<b>70,120</b>	<b>15,579</b>	<b>27,391</b>	<b>55,871</b>	<b>68,049</b>	<b>129,578</b>	<b>165,559</b>
Other income and results from investment property	-	-	-	-	34,007	-33,901	34,007	-33,901
Operating result	16,198	21,827	-7,683	-2,058	71,376	5,802	79,891	25,571
Total assets	712,836	536,551	369,292	390,857	2,477,973	2,202,275	3,560,102	3,129,683

Alliances & Participations (in thousands of euros)	International airports		Domestic airports		Other subsidiaries		Total	
	HY 2021	HY 2020 restated <sup>1</sup>	HY 2021	HY 2020 restated <sup>1</sup>	HY 2021	HY 2020 restated <sup>1</sup>	HY 2021	HY 2020 restated <sup>1</sup>
Airport charges	-	-	4,698	10,186	-	-	4,698	10,186
Concessions	-	-	581	2,059	-	-	581	2,059
Rent and leases	-	-	2,939	2,424	-	-	2,939	2,424
Parking fees	-	-	1,102	3,858	-	-	1,102	3,858
Other activities	3,755	6,337	2,335	1,985	37,894 <sup>2</sup>	40,107	43,984	48,429
<b>Total revenue</b>	<b>3,755</b>	<b>6,337</b>	<b>11,655</b>	<b>20,512</b>	<b>37,894</b>	<b>40,107</b>	<b>53,304</b>	<b>66,956</b>
Elimination of intercompany revenue	-0	-671	-572	-13,200	-28,442	-18,457	-29,014	-32,328
<b>Revenue</b>	<b>3,755</b>	<b>5,666</b>	<b>11,083</b>	<b>7,313</b>	<b>9,452</b>	<b>21,650</b>	<b>24,290</b>	<b>34,628</b>
Fair value gains and losses on investment property	-	-	-	-327	-	-	-	-327
Operating result	740	2,639	-20,781	-21,916	6,814	-2,388	-13,227	-21,664
Total assets	1,354,056	1,266,272	396,123	349,340	110,729	93,309	1,860,908	1,708,921

1) The half year 2020 information has been restated in all tables to reflect the change in reporting segments

2) The other activities includes revenues from Utilities (supply of gas, electricity and water) and telecommunication services.

## Assets used for operating activities

(in thousands of euros)	Runways, taxiways and aprons	Paved areas, roads etc.	Buildings	Installations	Other assets	Total
<b>Carrying amount as at 1 January 2020</b>	<b>442,900</b>	<b>527,428</b>	<b>1,083,574</b>	<b>869,555</b>	<b>198,616</b>	<b>3,122,072</b>
<b>Movements in first half of 2020</b>						
Completions	33,116	10,646	10,749	37,611	42,173	<b>134,295</b>
Depreciation	-16,346	-8,486	-32,519	-57,798	-23,811	<b>-138,960</b>
Reclassifications	1,289	-	-1,080	-	-113	<b>96</b>
Other	-	-1,767	-	-	-1	<b>-1,768</b>
<b>Total movements</b>	<b>18,059</b>	<b>393</b>	<b>-22,850</b>	<b>-20,187</b>	<b>18,248</b>	<b>-6,337</b>
<b>Carrying amount as at 30 June 2020</b>	<b>460,959</b>	<b>527,821</b>	<b>1,060,724</b>	<b>849,368</b>	<b>216,864</b>	<b>3,115,735</b>
<b>Movements in second half of 2020</b>						
Completions	21,361	74,494	62,232	93,496	6,277	<b>257,860</b>
Lease	-	-	-	-	10,173	<b>10,173</b>
Depreciation	-16,367	-10,055	-31,306	-53,936	-22,821	<b>-134,485</b>
Disposals	-	0	-	-422	-3,206	<b>-3,628</b>
Reclassifications	-1,284	-11,970	1,460	-3,089	4,438	<b>-10,443</b>
Other	-	1,767	-	-	1	<b>1,768</b>
<b>Total movements</b>	<b>3,710</b>	<b>54,236</b>	<b>32,386</b>	<b>36,050</b>	<b>-5,138</b>	<b>121,244</b>
<b>Carrying amount as at 31 December 2020</b>	<b>464,669</b>	<b>582,057</b>	<b>1,093,110</b>	<b>885,417</b>	<b>211,727</b>	<b>3,236,980</b>
<b>Movements in first half of 2021</b>						
Completions	37,577	2,558	37,135	59,782	21,181	<b>158,232</b>
Depreciation	-16,231	-9,520	-29,746	-55,557	-23,881	<b>-134,935</b>
Disposals	-	-	-	-	-71	<b>-71</b>
Reclassifications	-	25	-131	105	0	<b>0</b>
Leases	-	-	-	-	973	<b>973</b>
Other	-	-	98	-0	15	<b>113</b>
<b>Total movements</b>	<b>21,346</b>	<b>-6,937</b>	<b>7,356</b>	<b>4,330</b>	<b>-1,783</b>	<b>24,312</b>
<b>Carrying amount as at 30 June 2021</b>	<b>486,015</b>	<b>575,120</b>	<b>1,100,466</b>	<b>889,747</b>	<b>209,944</b>	<b>3,261,292</b>

**Assets under construction or development**

(in thousands of euros)

**Assets under construction  
for operating activities**

<b>Carrying amount as at 1 January 2020</b>	<b>978,734</b>
<b>Movements in first half of 2020</b>	
Capital expenditure	383,974
Construction period borrowing cost capitalised	4,825
Completed assets	-134,295
Other	10
<b>Total movements</b>	<b>254,514</b>
<b>Carrying amount as at 30 June 2020</b>	<b>1,233,248</b>
<b>Movements in second half of 2020</b>	
Capital expenditure	332,350
Construction period borrowing cost capitalised	4,877
Completed assets	-251,995
Reclassifications	-5,750
Other	-10
<b>Total movements</b>	<b>79,471</b>
<b>Carrying amount as at 31 December 2020</b>	<b>1,312,719</b>
<b>Movements in first half of 2021</b>	
Capital expenditure	244,095
Construction period borrowing cost capitalised	3,512
Completed assets	-158,599
Acquisitions	660
Other	-25
<b>Total movements</b>	<b>89,643</b>
<b>Carrying amount as at 30 June 2021</b>	<b>1,402,362</b>

## Investment property

(in thousands of euros)	Buildings	Sites	Assets under construction	Total
<b>Carrying amount as at 1 January 2020</b>	<b>1,193,765</b>	<b>455,113</b>	<b>109,233</b>	<b>1,758,111</b>
<b>Movements in first half of 2020</b>				
Capital expenditure	-	-	10,742	<b>10,742</b>
Construction period borrowing cost capitalised	-	-	6	<b>6</b>
Completions	2,611	7,049	-9,660	<b>-0</b>
Fair value gains and losses	-27,621	-8,882	2,067	<b>-34,436</b>
Reclassifications	10	1,767	-10	<b>1,767</b>
<b>Total movements</b>	<b>-25,000</b>	<b>-66</b>	<b>3,145</b>	<b>-21,921</b>
<b>Carrying amount as at 30 June 2020</b>	<b>1,168,765</b>	<b>455,047</b>	<b>112,378</b>	<b>1,736,190</b>
<b>Movements in second half of 2020</b>				
Capital expenditure	-	-	21,236	<b>21,236</b>
Construction period borrowing cost capitalised	-	-	-6	<b>-6</b>
Completions	13,801	-	-13,801	<b>0</b>
Fair value gains and losses	-6,432	-20,561	-3,659	<b>-30,652</b>
Impairments	-	-	-15,400	<b>-15,400</b>
Reclassifications	-1,338	9,028	3,846	<b>11,536</b>
<b>Total movements</b>	<b>6,031</b>	<b>-11,533</b>	<b>-7,784</b>	<b>-13,286</b>
<b>Carrying amount as at 31 December 2020</b>	<b>1,174,796</b>	<b>443,514</b>	<b>104,594</b>	<b>1,722,904</b>
<b>Movements in first half of 2021</b>				
Capital expenditure	-	-	7,778	<b>7,778</b>
Completions	5,402	-	-4,328	<b>1,074</b>
Fair value gains and losses	9,211	-379	25,110	<b>33,943</b>
Reclassifications	26,840	-11,477	-5,000	<b>10,363</b>
Other	90	-	-	<b>90</b>
<b>Total movements</b>	<b>41,543</b>	<b>-11,856</b>	<b>23,560</b>	<b>53,248</b>
<b>Carrying amount as at 30 June 2021</b>	<b>1,216,339</b>	<b>431,658</b>	<b>128,154</b>	<b>1,776,152</b>



## Borrowings

The movements in borrowings during the six-month period were as follows:

(in thousands of euros)	Borrowings > 1 year	Borrowings <= 1 year	Total
<b>Carrying amount as at 1 January 2020</b>	<b>2,609,582</b>	<b>162,880</b>	<b>2,772,462</b>
<b>Movements in 2020</b>			
New borrowings	2,236,122	400,000	<b>2,636,122</b>
Transferred to current liabilities	-436,740	436,740	-
Repayments	-	-561,095	<b>-561,095</b>
Exchange differences	-4,389	0	<b>-4,389</b>
Other movements	-701	5,567	<b>4,866</b>
<b>Total movements in the year</b>	<b>1,794,292</b>	<b>281,212</b>	<b>2,075,504</b>
<b>Carrying amount as at 31 December 2020</b>	<b>4,403,874</b>	<b>444,092</b>	<b>4,847,966</b>
<b>Movements in first half of 2021</b>			
New borrowings	996,114	-	<b>996,114</b>
Transferred from current liabilities	590	-590	-
Repayments	-4,500	-438,447	<b>-442,947</b>
Exchange differences	-5,811	0	<b>-5,811</b>
Other movements	1,242	1,197	<b>2,439</b>
<b>Total movements in the year</b>	<b>987,635</b>	<b>-437,840</b>	<b>549,795</b>
<b>Carrying amount as at 30 June 2021</b>	<b>5,391,509</b>	<b>6,252</b>	<b>5,397,761</b>

On 22 April 2021, Schiphol Group issued two senior unsecured bonds to a total value of 1,000 million euros under the Euro Medium Term Note (EMTN) programme: 300 million euros with a maturity date of 22 April 2025 and annual coupon of 0.0% and 700 million euros due on 22 April 2033 with an annual coupon of 0.75%.

Schiphol Group repaid a 438.4 million euros bond, which matured in April 2021.

As at 30 June 2021, bonds under the programme totaled 4,417 million euros (31 December 2020: 3,870 million euros), of which 1,750 million euros (31 December 2020: 1,750 million euros) specifically relate to green bonds). Schiphol Group can raise funds up to 5 billion euros under the EMTN programme, provided that the prospectus is updated annually. The prospectus was updated in April 2021.

Schiphol has a number of facility agreements with the European Investment bank for a total original amount of 900 million euros, part of which has been repaid. Per 30 June 635.0 million euros is outstanding and 175.0

million euros is available as committed financing. Schiphol Group paid 4.5 million euros as part of the semi-annual repayment during the six month period ending 30 June 2021. No additional facilities were drawn.

Schiphol Group has three loan agreements with KfW IPEX-Bank for a total outstanding amount of 290 million euros with a weighted average maturity of 6 years. No new facilities were entered into during the first half of 2021.

In addition to these cash balances, Royal Schiphol Group has access to 1,075 million euros in committed and 330 million euros uncommitted undrawn bank facilities. 400 million euros of the committed undrawn bank facilities will mature at the end of October and early November 2021.

The remaining terms of the borrowings as at 30 June 2021 are as follows:

(in thousands of euros)	Total	> 1 year and			
		<= 1 year	> 1 year	<= 5 years	> 5 years
EMTN programme	<b>4,417,899</b>	-2,413	4,420,312	510,396	3,909,916
European Investment Bank	<b>635,000</b>	9,000	626,000	406,000	220,000
KfW IPEX-Bank	<b>289,731</b>	-53	289,784	99,858	189,926
Namenschuldverschreibung	<b>24,938</b>	-38	24,976	24,976	-
Other borrowings	<b>30,193</b>	-244	30,437	25,200	5,237
<b>Total borrowings</b>	<b>5,397,761</b>	<b>6,253</b>	<b>5,391,509</b>	<b>1,066,430</b>	<b>4,325,079</b>

### **Events after the balance sheet date**

It was announced on 28 July 2021 that Aéroports de Paris SA and Royal Schiphol Group will not renew the HubLink industrial cooperation agreement, which will expire on 30 November 2021. The current agreements provide a detailed exit mechanism to unwind the cross-shareholding between Aéroports de Paris and Royal Schiphol Group which will come into effect on that date. This mechanism organises an orderly sale of the shares within a period of 18 months (until 30 May 2023). First, Schiphol Group will have to sell its shares in Groupe ADP after which Schiphol Group will buy back the Schiphol Group shares from Groupe ADP. As at 30 June 2021, the investment in Groupe ADP accounted for under the equity method amounts to 624 million euros.

There are no other events after the balance sheet date.

Schiphol, 26 August 2021

For the 2021 interim financial statements:

#### *Management Board*

D.A. Benschop, President and Chief Executive Officer  
R.J. Carsouw, Chief Financial Officer  
B.I. Otto, Chief Operations Officer  
H.L. Buis, Chief Projects & Assets Officer

#### *Supervisory Board*

L.J. Gunning-Schepers, Chair  
E. Arkwright  
S.G. Brummelhuis  
D. Collier  
E. van Galen  
R.J. van de Kraats  
A.B.M. Olsson

## **INDEPENDENT AUDITOR'S REVIEW REPORT**

To: the Supervisory Board and Management Board of Royal Schiphol Group N.V.

### *Our conclusion*

We have reviewed the accompanying 2021 condensed consolidated interim financial statements of Royal Schiphol Group N.V. (or hereafter: the "Company") based in Schiphol, as set out on pages 14 to 35 of the 2021 Interim Results of Royal Schiphol Group. Based on our review, nothing has come to our attention that causes us to believe that the 2021 condensed consolidated interim financial information are not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

The 2021 condensed consolidated interim financial statements comprise:

- the consolidated statement of financial position as at 30 June 2021;
- the following statements for the first half of 2021: the condensed consolidated statement of income, the consolidated statements of comprehensive income, the condensed consolidated statement of changes in equity and the consolidated statement of cash flows; and
- the notes, comprising a summary of the significant accounting policies and other explanatory information.

### **Basis for our conclusion**

We conducted our review in accordance with Dutch law including standard 2410, 'Het beoordelen van tussentijdse financiële informatie door de accountant van de entiteit' (Review of Interim Financial Information Performed by the Independent Auditor of the Entity). A review is substantially less in scope than an audit conducted in accordance with Dutch Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Our responsibilities under this standard are further described in the 'Our responsibilities for the review of the interim financial information' section of our report.

We are independent of Royal Schiphol Group N.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulation in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the assurance evidence we obtained is sufficient and appropriate to provide a basis for our conclusion.

### **The impact of COVID-19 on our review of the liquidity risk**

The ongoing impact of COVID-19 on our review of the Company's liquidity risk is relevant to the users' understanding of our review. The Management Board is responsible for assessing the possible effects of COVID-19 on the Company's liquidity risk and adequately disclosing the results of its assessment in the 2021 condensed consolidated interim financial statements. We assess and challenge the appropriateness of the Management Board's assessment and the adequacy of the related disclosures. The appropriateness of the Management Board's assessment depends on reasonableness of estimates relating to the future economic environment and the Company's future prospects and performance. The COVID-19 pandemic is an unprecedented challenge for humanity and for the economy globally, and at the date of this report its effects

are subject to significant levels of uncertainty. We have evaluated the situation and uncertainties as disclosed in the going concern paragraph in the notes to the 2021 condensed consolidated interim financial statements and nothing causes us to believe that the disclosure is not adequate. However, a review cannot predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to COVID-19.

#### **Responsibilities of the Management Board and the Supervisory Board for the 2021 condensed consolidated interim financial statements**

The Management Board is responsible for the preparation and presentation of the 2021 condensed consolidated interim financial statements in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union. Furthermore, management is responsible for such internal controls as it determines is necessary to enable the preparation of the 2021 condensed consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

#### **Our responsibilities for the review of the 2021 condensed consolidated interim financial statements**

Our responsibility is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

The level of assurance obtained in a limited assurance engagement is substantially less than the level of assurance obtained in an audit conducted in accordance with the Dutch Standards on Auditing. Accordingly, we do not express an audit opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the review, in accordance with Dutch Standard 2410.

Our review included among others:

- Updating our understanding of the entity and its environment, including its internal control, and the applicable financial reporting framework, in order to identify areas in the 2021 condensed consolidated interim financial statements where material misstatements are likely to arise due to fraud or error, designing and performing procedures to address those areas, and obtaining assurance evidence that is sufficient and appropriate to provide a basis for our conclusion;
- Obtaining an understanding in the internal control, as it relates to the preparation of the 2021 condensed consolidated interim financial statements;
- Making inquiries of management and others within the entity;
- Applying analytical procedures with respect to information included in the 2021 condensed consolidated interim financial statements;
- Obtaining assurance evidence that the 2021 condensed consolidated interim financial statements agree with, or reconcile to the entity's underlying accounting records;
- Evaluating the assurance evidence obtained;
- Considering whether there have been any changes in accounting principles or in the methods of applying them and whether any new transactions have necessitated the application of a new accounting principle;

- Considering whether management has identified all events that may require adjustment to or disclosure in the 2021 condensed consolidated interim financial statements; and
- Considering whether the 2021 condensed consolidated interim financial statements have been prepared in accordance with the applicable financial reporting framework and represents the underlying transactions free from material misstatements.

The Hague, 26 August 2021

KPMG Accountants N.V.

R.R.J. Smeets RA