Sund & Bælt Holding A/S

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Annual Report 2019

Chair of the Annual General Meeting: Charlotte Yun Linde

Approved at the Annual General Meeting 17 April 2020

Contents

New business opportunities and more benefits for customers

It became easier for customers to pass through the toll station at the Storebælt Bridge at the start of 2020. The system was upgraded with new technology in 2019, which, after over 20 years with BroBizz will provide our customers with new digital options of paying when they travel across the link. There was an overall traffic increase of 1.8 per cent in 2019, and 13.3 million vehicles crossed Storebælt. This means that a new traffic record was set for the sixth year in a row. Along with continued low interest rates and low inflation, it meant that Sund & Bælt delivered a satisfactory result for the year.

The new payment solution uses the vehicle’s number plate and is called PayByPlate. By year end 2019, over 400,000 customers had taken out a contract with BroBizz A/S to use this service in addition to the over 1 million customers who pay using BroBizz. New express lanes now provide a smooth 50 km/h passage for customers using automatic payment. Today, nearly 80 per cent of customers pay automatically, meaning that more users will be able to cross the Storebælt Bridge in future without delays – even with rising traffic levels.

Also in 2019, a brand new toll system opened when Crown Princess Mary's Bridge was inaugurated at Frederikssund in September. The infrastructure is a free flow system and the first of its kind in Denmark. The number plate technology is used here as well and offers customers an efficient and simple payment solution for the new user-paid link. Our subsidiary, BroBizz Operatør A/S, was behind the launch which utilises the synergies and knowledge built up at Sund & Bælt from payment processing on Storebælt.

BroBizz A/S worked on a growth strategy in 2019, one that will transform the company into a competitive, digital mobility company that, through strong partnerships, offers the best travel experience for customers in Scandinavia and on their journeys in Europe. In March, it became possible for BroBizz A/S's corporate customers to sign up for a new service – EuroBizz, which provides access to toll roads in seven central and southern European countries in addition to Scandinavia. The strategy is to continue to expand the number of countries where customers can use EuroBizz, with the further goal of offering the same service to all private customers in 2020.

Focus on increased use of data in the operation and maintenance of our infrastructure continues to create new opportunities. Based on experience and knowledge from operations on Storebælt – focused on digital tools – we can deliver improvements in efficiency and quality in the operation of our own infrastructure. The objective is that within a five-year period up to 2023, we can reduce our operating expenses by 10 per cent, where they would otherwise increase as our facilities grow older. Furthermore, with increased digitalisation of operations, we will be able to extend the serviceable life of the Storebælt Bridge by up to 100 years for the benefit of customers and the entire Danish community.

Throughout the year, and through our subsidiary, Sund & Bælt Partner A/S, we have entered into a number of cooperation agreements with other operators around the world. The purpose is to share knowledge from our own business in order that others will be able to achieve the same benefits as us. In order to be able to share knowledge to a greater extent than before, we have converted our know-how into digital tools and services. It could be said that we have made our knowledge sharing scalable and accessible to everyone.

The Fehmarnbelt project is making good progress. In 2019, the construction phase for the tunnel project was initiated on the Danish side following several years of preparation and site development and this is largely complete at Rødbyhavn. On the German side, the first construction activities were initiated at Puttgarden. Activity levels are expected to intensify in 2020, when the main contractors will start to make serious headway at the construction site at Rødbyhavn and construction, including that of the work harbour, commences.

Upgrading and expansion of the Danish landworks for the Fehmarnbelt link is still on schedule and to budget. As early as 2021, the railway between Ringsted and Nykøbing Falster will be one of the first sections to be ready for new and faster trains, thus significantly reducing the travel time by train between Copenhagen and Nykøbing Falster. This will also create completely new, local development opportunities.

At Sund & Bælt we are also continuing to work with sustainability in our own business and we have taken the initiative to acquire electric cars in connection with the replacement of our vehicle fleet. We are also installing charging stations at our office facilities in Halsskov for the use of employees driving an electric car. In this way, we want to share in the responsibility we have as a society to ensure a sustainable future.

It is in this same way that we are working to contribute to the mobility of Danish society by streamlining our infrastructure so it can endure for many years to come for the benefit of travellers.

Peter Frederiksen
Chairman
Sund & Bælt Holding A/S

Mikkel Hemmingsen
CEO
Sund & Bælt Holding A/S

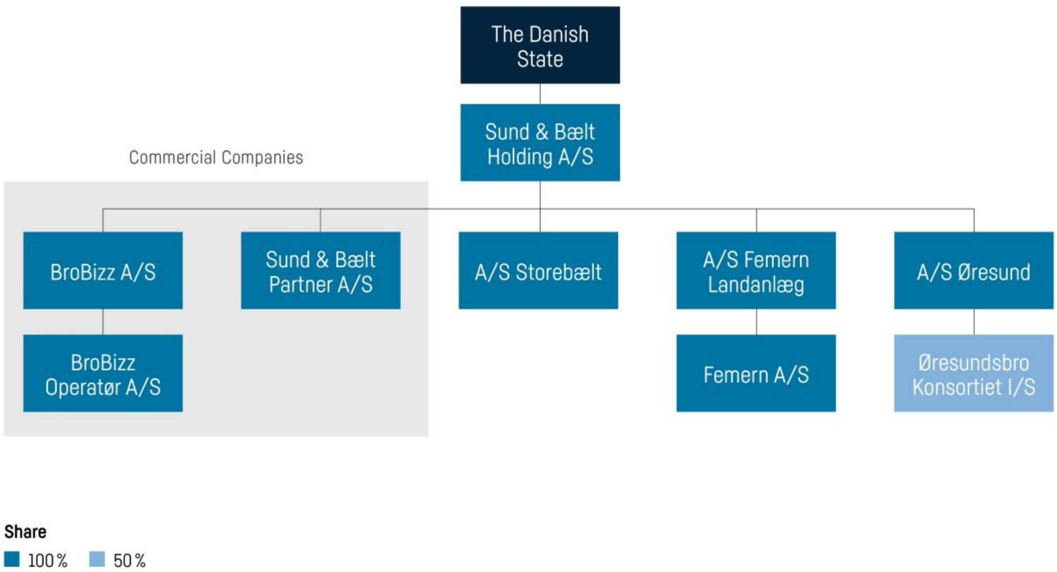
About Sund & Bælt

The Sund & Bælt Group's primary responsibility is to own and operate the fixed links across Storebælt and Øresund and, in time also the Fehmarnbelt. These responsibilities are carried out with due regard for maintaining high levels of accessibility and safety on the links. Moreover, repayment of the loans raised to finance the facilities will take place within a reasonable time frame.

BroBizz A/S's objective is to facilitate mobility for motorists in Scandinavia and the rest of Europe through the issue of BroBizz® and PayByPlate®, which can be used as a means of identification for a number of transport-related payment services, such as toll roads, bridges, ferries, parking, etc. BroBizz A/S is responsible for customer relationships in respect of private and business customers, including contract administration and the collection of fees between operators and the customer.

The Sund & Bælt Group is tasked with:

- Operating and maintaining the road link across the Storebælt Bridge;
- Collecting payment from motorists using the Storebælt Bridge;
- Monitoring and maintaining Storebælt's rail section;
- Operating and maintaining the Øresund motorway;
- Monitoring and maintaining the Øresund railway;
- Collecting fees from Banedanmark for the right to use the Øresund railway on Amager and the rail link across Storebælt;
- Managing and ensuring repayment of A/S Storebælt's and A/S Øresund's debt portfolio;
- Managing the part ownership of Øresundsbro Konsortiet I/S;
- Operating and maintaining the port facilities at Odden, Ebeltoft, Spodsbjerg and Tårs;
- Being responsible for the planning, feasibility studies and construction works for the coast-to-coast link for the fixed link across Fehmarnbelt;
- Being responsible for the ownership and financing of the Danish landworks in connection with the Fehmarnbelt fixed link;
- Being responsible for the co-ordination of the planning and construction works for the fixed link across the Fehmarnbelt comprising the coast-to-coast link and the Danish landworks;
- Providing client and operator consultancy in relation to primarily largescale international infrastructure projects on a commercial basis;
- Functioning as operator of payment facilities for user-funded infrastructure in Denmark through BroBizz Operator A/S.



Highlights of the year

Traffic
Road traffic on the Storebælt Bridge totalled 13.3 million vehicles in 2019, which is a new annual record. Traffic growth was 1.8 per cent compared to 2018, but traffic growth has been declining over the year, and with regard to passenger cars, there was a real decline in traffic from September to the end of the year. Passenger car traffic rose by 1.8 per cent and lorry traffic rose by 2.1 per cent. Rail traffic across Storebælt totalled 46,525 trains, a decrease of 6.8 per cent compared to 2018.

On the Øresund Bridge, road traffic fell by 0.7 per cent in 2019, with 7.5 million vehicles crossing the bridge. Lorry traffic rose by 2.8 per cent compared to 2018 while passenger car traffic fell by 0.9 per cent compared to 2018. Leisure traffic rose by 2.8 per cent compared to 2018, commuter traffic declined by 3.4 per cent compared to 2018 and other passenger car traffic also declined by 2.3 per cent compared to 2018. Train traffic increased by almost 11 per cent compared to 2018 and now accounts for 12.2 million passengers.

Economy
The financial result before fair value adjustments and tax, including the share from Øresundsbro Konsortiet I/S, is a profit of DKK 2,380 million and is thus DKK 125 million higher than in 2018.

The financial results are primarily affected by a decline in net revenue of approximately 42 million primarily owing to the sale of the wind turbines in 2018, lower net interest expenses of DKK 132 million and improved financial results for Øresundsbro Konsortiet I/S of DKK 38 million.

The fair value adjustments amount to an expense of DKK 2,300 million against gains of DKK 63 million in 2018, which compared to 2018, has a negative effect on the year's result after tax of DKK 1,905 million.

The financial result after tax is a loss of DKK 48 million.

Based on a proposed dividend from A/S Storebælt, Sund & Bælt Holding A/S is expected to pay an extraordinary dividend of DKK 1,380 million in 2020.

Profitability
For A/S Storebælt, the repayment period is unchanged at 34 years, with the debt being repaid in 2032. The repayment period for A/S Øresund is estimated at 47 years, which is two years longer than last year, primarily as a result of a postponement of the dividend payment from Øresundsbro Konsortiet I/S owing to the EU Commission's annulment of the approval of the State subsidy. The debt will, therefore, be repaid in 2045.

The repayment period for Øresundsbro Konsortiet I/S is unchanged at 50 years, which means that the debt will be repaid in 2050.

A fixed link across the Kattegat
Sund & Bælt, together with the Danish Road Directorate, is assisting the Ministry of Transport and Housing with a feasibility study of a fixed link across Kattegat. The purpose is to bring about an improved basis for political discussion and, perhaps, a decision in principle about the project's further progress, including matters relating to construction economics, financing, organisation, traffic, the environment, civil engineering, the economy, etc.

Revenue from the road link across Storebælt totals DKK 2,916 million and increased by 1.5 per cent compared to 2018.

In 2019, DKK 0.9 billion was repaid on A/S Storebælt's interest-bearing net debt, which totalled DKK 18.9 billion at the end of 2019.

The effect of value adjustments on the results

	Consolid-ated income statement with ref. to the Annual Report	Fair value adjust-ment	Pro forma Income statement
Operating profit (EBIT)	2,019.1		2,019.1
Total financial income and expenses	2,504.0	2,166.5	-337.5
Profit/loss before share of jointly managed company	484.9		1,681.6
Profit from jointly managed company	427.4	213.1	640.5
Profit before fair value adjustment and tax			**2,322.1**
Fair value adjustment		-2,379.6	-2,379.6
Loss before tax	**-57.5**		**-57.5**
Tax	9.5		9.5
Loss for the year	**-48.0**		**-48.0**

CSR – Corporate Social Responsibility

Sund & Bælt contributes to the creation of growth and cohesion in Denmark by operating a responsible company whose aim is to bring people and regions together in a way that balances respect for the economy, people and the environment in its daily operations. A safe and efficient traffic flow is at the Group's foundation and the safety of both customers and employees is paramount. CSR is thus not an isolated activity, but a basic tenet that is integrated into daily work.

Sund & Bælt has joined the UN Global Compact and through its membership is required to respect, comply and work with the 10 principles of the Global Compact. Sund & Bælt does this through its CSR policy and risk assessment with related activities.

The CSR policy comprises;

- Social responsibility, including respect for human rights and the promotion of equality,
- Environmental responsibility, including minimising climate impact, nature protection and sustainable resource consumption,
- Financial responsibility, including anti-corruption and transparency.

This section, as well as the sections *Objectives for CSR Work 2020*, *Environment and Climate*, *Corporate Governance* and *Employees* constitute the statutory statement of social responsibility and gender composition, cf. § 99a and 99b of the Danish Financial Statements Act.

Work on social responsibility, including human rights such as gender equality and non-discrimination, personal safety and favourable working conditions, are described in this section as well as in the sections Environment and Climate and Employees.

Work on environmental responsibility, including the climate impact in terms of energy consumption, is described in this section as well as in the section Environment and Climate.

Work on financial accountability is described in this section as well as in the section Corporate Governance.

Sund & Bælt addresses anti-corruption and transparency by operating a whistleblower scheme, prioritising public access requests and taking a zero-tolerance approach to corruption cases and complaints from authorities, c.f. the chart overleaf.

Read more about Sund & Bælt's Corporate Social Responsibility at www.sundogbaelt.dk/samfundsansvar

CSR objectives and results for 2019

By and large, all objectives for 2019 were met. However, we had one case pertaining to the psychological working environment where an employee is on long-term sick leave with stress. In addition, there was one minor oil spill from a lorry on the road. The oil was cleared up so that no environmentally harmful substances were released, and no harm was done to nature.

We have increased the percentage of employees with special needs with the additional recruitment of a veteran. In 2019, there were five veterans employed who were assigned duties on Sprogø. They have all expressed their gratitude and great satisfaction for having Sprogø as a way back to an active working life, and thus the opportunity to become fully or partially independent.

In 2019, Sund & Bælt decided to extend the partnership with VeteranHaven in Slagelse and move away from regular maintenance to a project that in the long-term will make maintenance cheaper, reduce CO_2 emissions and increase biodiversity on Sprogø. The project involves developing natural and green areas so that less time, energy and money is spent on keeping the island in an orderly state.

We will endeavour to use sheep to keep the vegetation on Fyrbakke under control. This is currently a physically onerous task, which is undertaken by machines. We are also endeavouring to change the composition of plants so that the island remains attractive even if it becomes a little "wilder". We have called the project "A Wish to be Wild supported by Veterans". Giving veterans a role in society again remains a priority. Increased biodiversity, less CO_2 emissions and, in the long-term, reduced operating costs are positive consequences of this project.

In 2019, it was decided that in connection with the replacement of the company's vehicle fleet, only electric vehicles should be purchased. This was initiated in 2019 and will continue in 2020. Sund & Bælt is also establishing electric charging stations in Halsskov for employee use. It has also been decided to look into the possibility of installing and using solar cells on our land in Halsskov.

Our CSR policy is also manifested in the company's sponsorship policy and in 2019, the company supported projects relating to technology, science and education with sponsorships and/or free tickets for the Storebælt Bridge. Projects that improve the integration of socially disadvantaged groups, improve the environment and promote health and exercise can also apply for free tickets for the Storebælt Bridge.

In 2019, Sund & Bælt awarded six sponsorships in relation to technology, science and education. In addition, a large number of free tickets for the Storebælt Bridge, including free tickets issued to Muskelsvindsfonden (the Neuromuscular Foundation) for the Green Concert and Cirkus Summarum.

Finally, 2019 saw continued focus on absenteeism due to illness, including long-term sickness. This lies at 1.4 per cent, which remains at a low level, and in which we take pride.


• No accidents at work leading to absence - Target achieved
• Max. 2% absenteeism due to illness, including long-term absence - 1,4% absence due to illness
• No issues concerning equal opportunities and the psychological working environment - One issue involving the psychological working environment (stress)
• Increase the number of employees with special needs - Target achieved
• Support social and learning conditions through sponsorship policy - Target achieved
• No environmental emissions that cause harm to nature - Target achieved
• Focus on energy consumption and use of resources - Target achieved
Human & employee rights
Environment & climate
Responsible supply chain management
Business ethics and anti-corruption
• No cases where suppliers' breach of Sund & Bælt's Code of Coduct or contractually agreed social clauses are not dealt with - Target achieved
• No corruption cases and no undealt with whistleblower referrals - Target achieved

Traffic

Road traffic on the Storebælt Bridge totalled 13,271,084 vehicles in 2019, which set a traffic record for the sixth year in succession. Average annual daily traffic totalled 36,359 vehicles, which is 1.8 per cent higher than 2018. This continues the trend of the last two years where growth is not as high as the previous year.

For passenger cars, 2019 was characterised by significant fluctuation. For the period between Easter and the summer holidays, passenger cars saw growth of 4.4 per cent, whereas since September, there has been a real decline in passenger car traffic. The toll charge reduction with effect from 1 January 2018 still does not seem to have resulted in more traffic, but by contrast, the toll charge reduction, along with the roll-out of PayByPlate in the spring of 2018, has continued to have a significant impact on the choice of payment method. At the end of 2019, the percentage of automatic payment for passenger cars was just over 79 per cent while at the end of 2017, before the toll charge reduction, it was just under 66 per cent.

Growth for lorries in 2019 totalled 2.1 per cent, which is closer to the level for passenger cars. Despite the declining growth in traffic, October achieved a record with 136,138 lorries across Storebælt in a single month, corresponding to an average of 4,392 lorries per day.

Following an 11.9 per cent growth in the number of coaches in 2018, most of 2019 saw a substantial decline, with the second half of the year showing a decline in coach traffic of 11.1 per cent. As coach traffic for the year as a whole only shows a decline of 3.7 per cent, this is largely due to track work on the rail link over Easter, when relief coach services were deployed across Storebælt.

Traffic records on Storebælt - top 5

Year	Number of vehicles per year
2019	13,271,084
2018	13,029,955
2017	12,779,645
2016	12,437,748
2015	11,880,022

Annual percentage traffic development on Storebælt

	2018-2019	2017-2018	2016-2017
Passenger cars	1.8	1.7	2.8
Lorries	2.1	3.6	4.8
Coaches	-3.7	11.9	-2.2
Total	**1.8**	**2.0**	**3.0**

Traffic per day on Storebælt

	2019	2018	2017
Passenger cars	32,094	31,508	30,977
Lorries	4,135	4,058	3,917
Coaches	130	133	119
Total	**36,359**	**35,699**	**35,013**

Quarterly traffic development on Storebælt in 2019 compared to the same quarter in 2018

	Q1	Q2	Q3	Q4
Passenger cars	1.9	4.4	0.9	-0.1
Lorries	4.0	0.4	3.1	0.9
Coaches	-0.4	10.9	-13.2	-12.1
Total	**2.2**	**4.0**	**1.0**	**0.0**

Economy

The results for the year are satisfactory and profits before financial value adjustments and tax, including the share from Øresundsbro Konsortiet I/S, total DKK 2,322 million against profits of DKK 2,198 million in 2018. The results are positively affected by the improvement in results from A/S Storebælt of approximately DKK 65 million, from Øresundsbro Konsortiet I/S of approximately DKK 40 million and from A/S Øresund of approximately DKK 30 million.

Group revenue reduced by just over DKK 40 million and totals DKK 3,338 million. Net revenue from Storebælt's road link increased by 1.5 per cent, corresponding to DKK 44 million and thereafter totals DKK 2,916 million. The increase is owing to traffic growth of 1.8 per cent. The rail fees in respect of A/S Øresund and A/S Storebælt declined by just over DKK 30 million, which is due in part to the planned reduction in the fee for A/S Øresund of DKK 20 million and in part due to lower traffic levels on Storebælt corresponding to approximately DKK 10 million. Revenue was also negatively affected by extraordinary earnings from the sale of the wind turbine business of DKK 65 million in 2018.

Costs total DKK 521 million and increased by DKK 11 million compared to 2018. The increase can primarily be attributed to increasing staff costs in the commercial companies in connection with new tasks and general business development. Costs for technical operation and maintenance continue to be reduced as planned as a result of three primary strategic focus areas in the form of digitalisation, procurement and process optimisation.

Depreciation and amortisation reduced by DKK 7 million compared to 2018 and total DKK 798 million.

Net interest expenses were DKK 132 million lower in 2019 and total DKK 338 million, which is due in part to the impact of the continued fall in market rates and in part lower inflation indexation.

In 2019, fair value adjustments (including adjustments for Øresundsbro Konsortiet I/S) amounted to an expense of DKK 2,380 million against gains of DKK 63 million in 2018. The value adjustments consist primarily of gains relating to fair value adjustments of financial assets and liabilities. Fair value adjustments are an accounting item that has no impact on the repayment period of the Group's debt since the debt is repayable at nominal value.

Net financing expenses, including fair value adjustments (excluding adjustments for Øresundsbro Konsortiet I/S), amount to an expense of DKK 2,504 million against an expense of DKK 495 million in 2018.

The share of the financial result from Øresundsbro Konsortiet I/S is an income of DKK 427 million, which includes negative fair value adjustments of DKK 213 million. The share of the financial result before fair value adjustments is thus positive at DKK 641 million, and DKK 38 million higher than in 2018. The share of the financial result is affected by a rise in operating income of almost DKK 30 million and lower interest expenses of almost 10 million.

Tax on the Group's results for the year is an income of 10 million.

The Group's result after tax is a loss of 48 million.

In the interim financial statements for Q3, the outlook for the year's financial results before financial value adjustments and tax was a profit within the range of DKK 2,100 and DKK 2,250 million. The realised profit before fair value adjustments and tax of DKK 2,322 million is approximately DKK 70 million higher than expected, which is primarily due to lower financing expenses.

The year's investment in software follows the Group's digitalisation strategy and comprises replacement of IT and ERP platforms in large parts of the Group, a new toll station and digitalisation projects related to technical operations and maintenance.

Group equity at 31 December 2019 was negative at DKK 3,025 million. On the basis of the estimated operating results for the subsidiaries and the Group's dividend policy, Group equity is expected to be restored within 5-6 years.

Sund & Bælt Holding A/S received a dividend of DKK 1,600 million from A/S Storebælt in 2019 and subsequently paid an extraordinary dividend of DKK 1,411 million to the shareholder.

After distribution of the expected extraordinary dividend of DKK 1,380 million to the State in 2020, Sund & Bælt Holding A/S will have distributed DKK 8,443 million to the shareholder. Of the total distribution, DKK 7,800 million relates to the co-financing of the political agreement, A Green Transport Policy, from 2009, and DKK 643 million relates to the co-financing of the expansion of the Funen Motorway.

Future operating results are estimated on the basis of the Ministry of Transport and Housing's fixed fee from Banedanmark for use of the rail links and on the basis of traffic forecasts for A/S Storebælt and Øresundsbro Konsortiet I/S. The latter is recognised at 50 per cent, which corresponds to the ownership share.

It should be noted that under the terms of *the Act on Sund & Bælt Holding A/S f*or A/S Storebælt and A/S Øresund, and against a guarantee commission of 0.15 per cent, the Danish State has extended separate guarantees for interest and repayments and other ongoing liabilities associated with the companies' borrowings. In addition, and without further notification of each individual case, the Danish State guarantees the companies' other financial liabilities. Øresundsbro Konsortiet A/S' debt is guaranteed jointly and severally by the Danish and Swedish States.

Moreover, it should be noted that under the terms of *the Planning Act for the fixed link across the Fehmarnbelt with associated landworks in Denmark* for A/S Femern Landanlæg and Femern A/S, and the Act on *Construction and Operation of a Fixed Link across the Fehmarnbelt with associated landworks in Denmar*k, the Danish State has extended separate guarantees for interest and repayments and other ongoing liabilities relating to the companies' borrowings against payment of a guarantee commission of 0.15 per cent. In addition, and without further notification of each individual case, the Danish State guarantees the companies' other financial liabilities.

Cash flow from the Group's operations totals DKK 1,321 million, which is DKK 1,171 million lower than in 2018. The change is primarily due to changes in working capital.

Cash flow for investing activities totals DKK 7,480 million, due, among other things, to investments in the road and rail facilities and the placement of funds in securities.

The free cash flow arises on the basis of operations, less capital investments and totals DKK -6,159 million. Free cash flow expresses the Group's ability to generate funds for the financing of interest and repayment of liabilities.

Financing activities include borrowings, repayments, interest expenses and dividend payments, which amount to DKK 5,801 million net.

In total, the Group's cash and cash equivalents reduced by DKK 358 million. Thus, cash and cash equivalents at the end of 2019 were positive at DKK 518 million.

Finance

The main themes in the financial markets during 2019 were the leading central banks' change of direction towards a renewed easing of monetary policy.

For 2019, this meant that the American Central Bank (FED) and the European Central Bank (ECB) both reduced interest rates during 2019 and this impacted long-term rates, which fell significantly until August after which the sentiment reversed. Long-term interest rates fell by just over 0.5 percentage points in 2019.

A/S Storebælt reduced its interest-bearing net debt by DKK 886 million in 2019, while it remained unchanged for A/S Øresund and increased by DKK 904 million for A/S Femern Landanlæg and DKK 593 million for Femern A/S.

At year-end 2019, interest-bearing net debt totalled DKK 18,946 million for A/S Storebælt, DKK 11,018 million for A/S Øresund, DKK 3,293 million for A/S Femern Landanlæg and DKK 3.467 million for Femern A/S.

Financial strategy
Sund & Bælt's objective is to conduct active and comprehensive financial management that minimises the long-term financial costs with due regard for financial risks. Among other things, financial risks are minimised by having exposure to DKK and EUR only, while optimisation of the loan portfolio is achieved through the use of swaps and other derivative financial instruments.

A/S Storebælt, A/S Øresund, A/S Femern Landanlæg and Femern A/S primarily raised loans via the Nationalbanken in 2019. Such on-lending continues to remain very attractive compared to alternative funding sources.

A/S Femern Landanlæg has also taken out a six-year privately financed EIB loan as a pre-requisite for co-financing from the European Union in the form of CEF support.

The Group's cautious strategy as regards credit risk meant that the companies did not lose money in 2019 because of financial counterparties' insolvency.

Interest expenses were once again lower in 2019 than in 2018, which is in part due to the impact of the continued fall in market rates and in part to lower inflation indexation.

The duration on the nominal debt in 2019 was fairly constant at around 4 years for A/S Storebælt and 9 years for A/S Øresund.

A/S Storebælt – financial ratios 2019

	DKK million	% p.a.
Borrowing 2019	3,177	
- of which on lending	3,177	
Gross debt (fair value)	21,560	
Net debt (fair value)	20,618	
Interest-bearing net debt	18,946	
Real rate (before value adjustment)		-0.10
Interest expenses	135	0.68
Value adjustment	263	1.33
Total financing expenses [1)]	**398**	**2.01**

1) Note: The amount excludes the guarantee commission, which totals DKK 29.7 million.

A/S Femern Landanlæg – financial ratios 2019

	DKK million	% p.a.
Borrowing 2019	3,014	
- of which on lending	2,118	
Gross debt (fair value)	5,658	
Net debt (fair value)	4,091	
Interest-bearing net debt	3,293	
Real rate (before value adjustment)		-0.90
Interest expenses	-2	0.07
Value adjustment	1,035	37.47
Total financing expenses[1)]	**1,033**	**37.40**

1) Note: The amount excludes the guarantee commission, which totals DKK 5.0 million

A/S Øresund – financial ratios 2019

	DKK million	% p.a.
Borrowing 2019	1,379	
- of which on lending	1,379	
Gross debt (fair value)	13,690	
Net debt (fair value)	12,681	
Interest-bearing net debt	11,018	
Real rate (before value adjustment)		0.60
Interest expenses	157	143
Value adjustment	470	4.27
Total financing expenses[1)]	**627**	**5.70**

1) Note: The amount excludes the guarantee commission, which totals DKK 15.9 million

Femern A/S – financial ratios 2019

	DKK million	% p.a.
Borrowing 2019	0	
- of which on lending	0	
Gross debt (fair value)	12,617	
Net debt (fair value)	3,942	
Interest-bearing net debt	3,467	
Real rate (before value adjustment)		1.10
Interest expenses	58	1.93
Value adjustment	405	13.59
Total financing expenses[1)]	**463**	**15.52**

1) Note: The amount excludes the guarantee commission, which totals DKK 16.7 million

A/S Storebælt - profitability

A/S Storebælt's debt is repaid from the revenue from road and rail traffic. In the long-term profitability calculation, the repayment period is calculated at a real interest rate of 3.0 per cent on the part of the debt that is not hedged, whereas the part of the debt that is interest-hedged is included with the agreed interest rate terms.

The political agreement of 21 September 2017 concerning a 25 per cent reduction in toll charges and the obligation to co-finance the extension of the Funen motorway to the tune of DKK 2.1 billion resulted in the repayment period being extended to 34 years whereby the debt is expected to be repaid in 2032. In the current financial year, the repayment period is unchanged at 34 years.

The rail companies' payments for use of the fixed links across Storebælt and Øresund were reduced in connection with the 2016 Finance Act. As regards A/S Storebælt, revenue depends on actual train traffic and the reduction in the railway payment resulted in a reduction in rail revenues of DKK 270 million in 2016 prices.

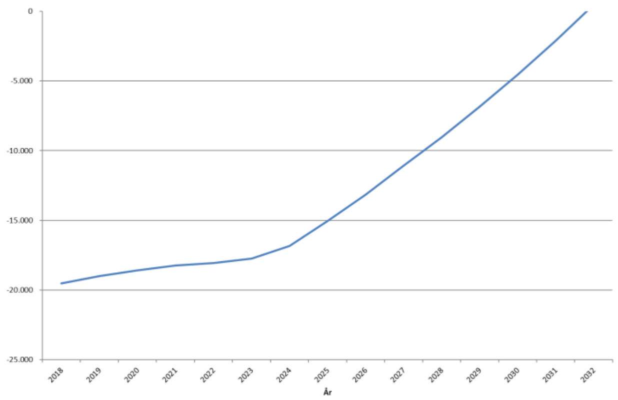
Co-financing of the political agreement, A Green Transport Policy, from 29 January 2009 is included in the calculation of the repayment period where the company pays a dividend to the State of DKK 9.0 billion (in 2008 prices) until the financial year 2022.

After payment of an expected dividend of DKK 1,380 million for the 2019 financial year, a total of DKK 8,443 million will have been paid to the shareholder.

The main uncertainties in the profitability calculations relate to the long-term traffic developments and the real rate, which is assumed to total 3.0 per cent.

In 2020, negative traffic growth of 1 per cent for passenger cars and lorries is expected, which will gradually rise to a long-term growth rate of 1.5 per cent from 2024. Operating expenses are based on the assumption of annual efficiency improvements of 2 per cent per annum for the next five years, after which they are expected to rise in line with general inflation. Moreover, there is some uncertainty related to the size and timing of the reinvestments in the railway system.

A/S Storebælt – forecast debt trend, DKK million



A/S Øresund - profitability

The investment in the Øresund fixed link's landworks will be repaid in part through payment from Banedanmark for use of the Øresund rail line and in part through dividend payments from Øresundsbro Konsortiet I/S of which A/S Øresund owns 50 per cent. In the long-term profitability calculation, the repayment date is calculated at a real rate of 3.0 per cent on the portion of the debt that is not hedged, whereas the part of the debt that is interest-hedged is included with the agreed interest rate conditions.

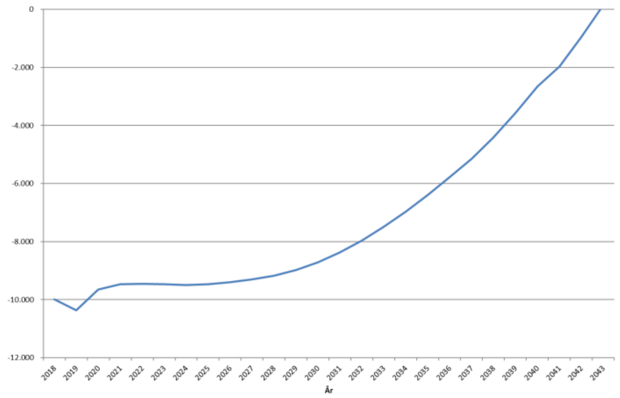
As a consequence of the 2016 Finance Act, the railway payment will gradually be reduced until 2024 and will be reduced by a total of DKK 200 million (2016 prices) when fully phased in. In addition, A/S Øresund is obliged to cover the railway payment for Øresundsbro Konsortiet I/S, which was previously financed by the Finance Act.

Due to the joint taxation with the Group's other companies, A/S Øresund obtains a cash flow benefit. This is because joint taxation with A/S Storebælt means that A/S Storebælt can utilise the tax losses in A/S Øresund towards paying the proceeds of the tax savings for A/S Øresund. A/S Øresund can thus forward the use of its tax losses over time.

The repayment period for A/S Øresund is calculated at 47 years, which is an extension of two years compared to last year's financial statements. This is primarily related to the postponement of the dividend payment from Øresundsbro Konsortiet I/S as a consequence of the EU Commission's annulment of State aid approval and a slight downward adjustment to the traffic revenue.

A/S Øresund is sensitive to changes in the economy of Øresundsbro Konsortiet I/S as this is where the traffic revenue for debt repayments comes from and indirectly to A/S Storebælt via joint taxation.

A/S Øresund – forecast debt trend, DKK million



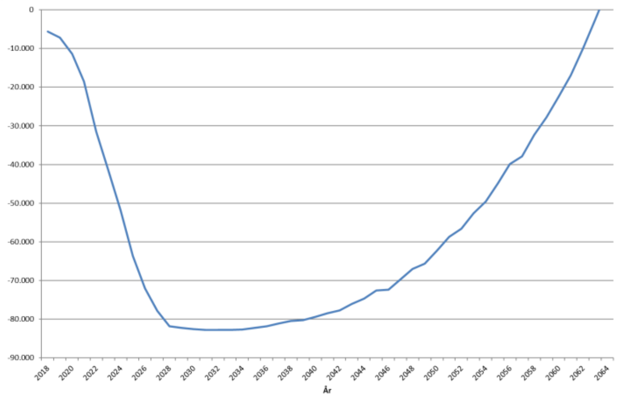
See more about Øresundsbro Konsortiet I/S' repayment period on page 24.

Fehmarnbelt project – profitability

On 11 February 2016, Femern A/S published a financial analysis of the Fehmarnbelt project's overall economy (the coast-to-coast link and the Danish landworks). The analysis shows that the total construction budget amounts to DKK 62.1 billion (2015 prices) which includes total reserves of DKK 9.5 billion. The budget is apportioned as follows: the coast-to-coast link at DKK 52.6 billion of which reserves of DKK 7.3 billion and the Danish landworks of DKK 9.5 billion of which reserves of DKK 2.2 billion. The repayment period is calculated at 36 years from the date of commissioning.

An analysis of the reserves and risk apportionment on the Fehmarnbelt link undertaken by the consultancy company EY, published on 8 February 2016, states that the size and proportion of the reserves are deemed appropriate.

Fehmarnbelt project – forecast debt trend, DKK million.



Events after the balance sheet date

The outbreak of Covid-19 and the subsequent closure of workplaces and borders has created great uncertainty regarding the results for the coming year. For a further description of the economic consequences please refer to the section Outlook for 2020.

On 20 March 2020, the EU Commission reached their decision regarding the approval of State aid with respect to the financing of the Fehmarnbelt project, where a new support model for the project has been approved. Femern A/S will analyse the decision and its consequences and discuss this with the owner. The Fehmarnbelt project is deemed to continue to have a robust economy.

Outlook for 2020

The outlook for the results for 2020 – based on the budget adopted in November 2019 – is for a profit before fair value adjustments and tax within the range of DKK 2,000-2,200 million. Since then, the ongoing outbreak of Covid-19 and the subsequent closure of workplaces and borders have created great uncertainty for the coming year's results.

Traffic revenue from the road links across Storebælt and Øresund declined substantially owing to the closure of workplaces and borders in mid-March and the effect of this is estimated, with great uncertainty, to be a decline in traffic revenue on a monthly basis of approximately DKK 130-150 million. There will also be a loss of revenue as a result of fewer train departures across Storebælt. With respect to financing expenses, the effect is assessed to be limited as it is expected that the interest rate and inflation will remain at a low level over an extended period.

With regard to the construction works for the Fehmarnbelt project, the company is in discussions with the contractors and the companies' other partners on the possible consequences for the physical activities, which are being undertaken on the Danish and German sides.

Targets for CSR work in 2020

The chart below shows the Group's CSR targets for 2020

Read more about Sund & Bælt's CSR targets for 2020 at www.sundogbaelt.dk/samfundsansvar.

Road

Storebælt - Maintenance and reinvestments

The company's maintenance strategy, which is based on long-term profitability, proactive preventive maintenance of all critical systems and the greatest possible accessibility, passability and safety of road users, is becoming more visible as the infrastructure ages and wears, new technology enables optimisation and new environmental requirements have to be accommodated.

It is increasingly necessary to undertake reinvestments on infrastructure systems, which were designed back in the late 80s and early 90s, and which have now been in operation for more than 20 years.

Examples of major maintenance tasks and investment projects in 2019 include the renovation of the hydraulic buffers and fire protection of the main cables on the East Bridge.

In 2019, the two 15-tonne hydraulic buffers on the western anchor block were dismantled, lifted out of the bridge, renovated and reinstalled. This was an operation that required extensive planning. In 2018, a similar task was carried out on the hydraulic buffers on the eastern anchor block.

To improve protection against damage to the main cables in the event of a vehicle fire on the East Bridge, fire protection was installed up to approximately 17 m above road surface in 2019. This protection takes the form of fire protection mats around the cables with an outer steel jacket. Furthermore, fire protection was carried out at the cable clamps using fire retardant paint. Such work is highly dependent on the weather, but the project was completed on time at the end of 2019.

In December 2018, a safety and accessibility survey was initiated for the road link. This was conducted in 2019 and includes a wide range of measures to improve safety and accessibility on the Storebælt fixed link and will form the basis for decision-making for any future safety measures. It has been decided to introduce mobile crash barriers at several places along the link so that traffic can be diverted in the event of a major traffic accident. Moreover, work is being carried out on automatic event detection and measures in relation to wind-sensitive vehicles. The initiatives will be implemented over the coming years.

Climate protection of dykes and coastal defences on Sprogø was completed in 2019. The project means that the link is secured against a 10,000-year incident.

Traffic on the Øresund motorway

The Øresund motorway continues to play a central role in the development of Amager and is a critical link between Copenhagen and the surrounding world via the airport and the Øresund Bridge. It plays a major role in the day-to-day management of this critical infrastructure facility, which has a very high traffic density.

As a result, focus is always on accessibility, passability and safety for road users when maintenance and reinvestments are carried out on this road section. This means, among other things, that activities are allocated to off-peak periods where possible. Lengthy upgrades also need to be carried out during the day so as to make the overall impact as short as possible. Such activities are always based on comprehensive analyses of traffic flow and clear communication to neighbours, road users and other partners.

In 2019, traffic on the Øresund motorway increased by approximately 0.3 per cent compared to 2018, which means that 86,896 vehicles per day now drive west of Ørestad and 72,874 vehicles per day east of Ørestad.

Climate protection

In 2012, the coastal dyke between Kalvebod Bridge and Kongelunden on West Amager was raised. The Board of Vestamager Pumpedigelag, of which Sund & Bælt is part, is finalising the last section of the dyke around south/western Amager at Ullerup, so that this part of Amager and Sund & Bælt's facilities will be better protected from flooding in storm surge situations. The final works were completed in 2019. In 2019 Sund & Bælt held discussions with a number of stakeholders with a view to establishing additional storm protection for the facilities on Amager and in Sydhavnen.

Drones and image recognition

In the past few years, Sund & Bælt has been working on inspecting the large infrastructure facilities with drones for maintenance, which is much more effective both in terms of cost and quality. This technology is constantly evolving as are the processes and procedures used for inspection and maintenance. In addition, technology, including algorithms, has been developed for image analysis of the images taken of the concrete structure during the inspections so that any damage can be classified, monitored and repaired effectively and data based.

Key figures, DKK million

Road – Storebælt	**2019**	**2018**
Revenue	2,916.4	2,872.,6
Expenses	-217.2	-23.,2
Depreciation	-234.3	-23.1
Operating profit (EBIT)	2,464.9	2,406.3
Financial items excl. value adjustments	26.6	41.5
Profit before financial value adjustments	**2,491.5**	**2,447.8**

Road – Øresund	**2019**	**2018**
Revenue	0.8	1.2
Expenses	-26.2	-29.7
Depreciation	-31.2	-36.3
Operating loss (EBIT)	-56.6	-64.8
Financial items excl. value adjustments	-58.7	-68.8
Loss before financial value adjustments	**-155.3**	**-133.6**

Railway

Storebælt
Total traffic on the Storebælt railway fell by 6.8 per cent compared to 2018 and amounted to 46,525 trains overall. Of this, the number of freight trains in 2019 totalled 9.167, corresponding to a decline of 10.5 per cent compared to 2018. The fall in the number of passengers across Storebælt is due to extensive track work at Ringsted and the simultaneous maintenance work on the Storebælt section. This resulted in many cancelled trains across Storebælt, particularly over Easter when all trains were cancelled.

Storebælt's railway comprises approximately 25 km dual track electrified railway and includes the stations at Nyborg and Korsør.

Punctuality
In 2019, the framework conditions for the operational impact of trains on Storebælt's railway were set for a maximum of 576 delayed trains. At year end, 467 delayed trains were recorded, which corresponds to approximately 81 per cent of the quota allocated by Banedanmark. There are ongoing analyses of the reasons for the identified faults with a view to prevention and improvement.

Øresund line
Total traffic on the Øresund line's rail section fell by 1.5 per cent compared to 2018 and amounted to 107,769 trains. For freight traffic alone, the number of trains fell by 12.2 per cent compared to 2018 and totalled 7,205 freight trains.

The Øresund railway comprises both an 18 km railway line from Copenhagen Central Station to and including Kastrup Station at Copenhagen Airport, and a 6 km freight line from Ny Ellebjerg to the Kalvebod Bridge. As can be seen from the above figures, the Øresund railway carries substantial rail traffic, which leads to a great need for maintenance. Since Sund & Bælt assumed responsibility for maintenance and reinvestment of the Øresund railway in 2015, a total 17 km of rail has been replaced on the line.

The framework conditions for the operational impact of trains on the Øresund line in 2019 were set for a maximum of 540 delayed passenger trains (excluding signalling system errors, which is a Banedanmark responsibility). At year end, 325 delayed trains were reported, which corresponds to approximately 60 per cent of the quota allocated by Banedanmark. There are ongoing analyses of the reasons for the identified faults with a view to prevention and improvement.

With a view to expanding the capacity of the Øresund railway in order that it is ready to receive increased traffic following the opening of the Fehmarnbelt link, extensive preliminary studies of the technical and economic conditions are underway to establish a a new station, Ny Kastrup Lufthavn Station for all westbound rail traffic.

Digitalisation and big data
Sund & Bælt is constantly seeking to optimise its operation and maintenance. On both the Storebælt and Øresund railway lines, a pilot project has been initiated to install sensors on a set of points to collect data for use in online monitoring, machine learning and predictive maintenance.

An upgrading of the point heaters was undertaken in 2019. Substantial amounts of energy are required to heat the points during the winter. By upgrading to a more intelligent control system, energy consumption will be significantly reduced.

Key figures, DKK million

Railway – Storebælt	**2019**	**2018**
Revenue	292.4	305.0
Expenses	-108.6	-123.1
Depreciation	-291.3	-290.0
Operating loss (EBIT)	-107.5	-108.1
Financial items excl. value adjustments	-188.5	-302.9
Loss before financial value adjustments	**-296.0**	**-411.0**

Railway– Øresund	**2019**	**2018**
Revenue	40.2	60.8
Expenses	-73.1	-67.9
Depreciation	-191.7	-217.1
Operating loss (EBIT)	-224.6	-224.2
Financial items excl. value adjustments	-114.3	-133.9
Loss before financial value adjustments	**-338.9**	**-358.1**

Ports and ferry services

A/S Storebælt owns four ferry ports north and south of the Storebælt link. They are Odden and Ebeltoft, Spodsbjerg and Tårs.

The ports are operated on standard commercial terms under which port revenues from the users finance investments, operations and maintenance. Molslinjen A/S manages the operation of the two ferry services that operate the four ports.

The operation of the Spodsbjerg-Tårs ferry service cannot be run on commercial terms, which means that the role of operator of the service – following the tender in 2016 - is handled by Molslinjen A/S (following the merger with Danske Færger A/S). A/S Storebælt, therefore, covers the ongoing loss on this route.

Molslinjen A/S, which operates the ports of Odden and Ebeltoft on commercial terms, delivered 5.0 per cent growth in the number of passenger cars on the Odden-Aarhus service compared to 2018. Meanwhile, on the Spodsbjerg-Tårs service in the same year, there was an increase of 0.6 per cent for passenger cars and a 2.9 per cent decline for lorries and coaches.

The operating subsidy for Spodsbjerg-Tårs amounts to DKK 38.6 million in 2019 against DKK 35.2 million in 2018.

Key figures, DKK million

Ports	**2019**	**2018**
Revenue	27.5	28.9
Expenses	-4.9	-4.9
Depreciation	-14.1	-13.2
Operating profit (EBIT)	8.5	10.8
Financial items excluding value adjustments	-2.1	-3.4
Profit before financial value adjustments	**6.4**	**7.4**

Ferries	**2019**	**2018**
Revenue	0.0	0.0
Expenses	-38.6	-35.2
Depreciation	0.0	0.0
Operating loss (EBIT)	-38.6	-35.2
Net financials excluding value adjustments	0.0	0.0
Loss before financial value adjustments	**-38.6**	**-35.2**

Sund & Bælt Partner A/S

Sund & Bælt Partner A/S puts knowledge at the disposal of other infrastructure owners in Denmark and the rest of the world by providing advice, digital tools and unique insight into financing, construction, operation and maintenance of major infrastructure projects such as bridges, tunnels, railways and motorways. The services are based on the bridge companies' more than 20 years' experience and knowledge, including digital tools, which have been developed to bring about improvements in efficiency and quality in the operation of Sund & Bælt Holding A/S' existing infrastructure.

Sund & Bælt Partner A/S' strategy for the sale of technical services is to create a digital sales network through its partners' existing sales team and digital platforms. Sund & Bælt Partner A/S enters into co-operation agreements aimed at developing methods and services that can optimise the operation of both Sund & Bælt Holding A/S' operating companies and other operators around the world. The co-operation agreements are primarily used for two purposes. 1) Intellectual Property (IP) management for the development and testing of a given service or product. 2) Development of common sales and marketing. In certain cases, the service/product will be 100 per cent owned by Sund & Bælt Holding A/S and in others, Sund & Bælt Holding A/S will be paid through a licence agreement.

The wish to share knowledge with others has so far been achieved through traditional, resource-intensive consultancy services and has therefore been very limited since the same resources are also our own operating experts. In order to share knowledge to a greater extent than before, human know-how is being converted to digital tools and services. We have thus made knowledge-sharing scalable and accessible to everyone.

In 2019, Sund & Bælt Partner A/S entered into a number of co-operation agreements. For example, Sund & Bælt Partner A/S makes its knowledge available to the Swiss Sacertis for the development of a risk and asset management system, Civil Engineering Assistant (CEA). The system will ensure greater safety and more efficient operation of bridges and tunnels in Europe and the rest of the world. In addition, similar co-operation agreements have been entered into with IBM, KPMG and Microsoft.

The objective is for the co-operation agreements to result in specific digital services and tools and have a positive impact on revenue for 2020.

The main activity for generating revenue for the company in 2019 was the sale of financial management services to Metroselskabet, CPH City & Port Development Corporation, Greater Copenhagen Light Rail and the Fjord Link Frederikssund. Revenue from here was on a par with that for 2018.

The market seems to be demanding new consultancy services within digitalisation and the use of Big Data and Artificial Intelligence. The first agreement in this area has been signed. This will be part of a preliminary analysis for a major international bridge project.

Key figures, DKK million

Partner	2019	2018
Revenue	5.0	4.9
Expenses	-4.7	-5.0
Depreciation	0.0	0.0
Operating profit/loss (EBIT)	0.3	-0.1
Financial items excluding value adjustments	0.0	0.0
Profit/loss before financial value adjustments	**0.3**	**-0.1**

Sund & Bælt Partner A/S is a 100 per cent owned subsidiary of Sund & Bælt Holding A/S. The company is not covered by the State guarantee.

Sund & Bælt Partner A/S' Board of Directors comprises:

- Mikkel Hemmingsen (Chairman)
- Mogens Hansen (Vice-Chairman)
- Lars Fuhr Pedersen
- Claus F. Baunkjær

BroBizz A/S

BroBizz A/S's objective is to facilitate mobility for motorists in Scandinavia and in the rest of Europe through the issue of BroBizz®, EuroBizz® and PayByPlate®, which can be used as a means of identification for a number of transport-related payment services, such as toll roads, bridges, ferries, parking, etc. BroBizz A/S is responsible for customer relationships in respect of private and business customers, including contract administration and the collection of fees between operators and the customer.

BroBizz A/S has solid experience of payment solutions across national borders. BroBizz currently operates on toll roads, bridges and ferries in Denmark and the rest of Scandinavia and in Austria. In addition, the BroBizz solution is used at certain parking areas and for access control.

The BroBizz A/S business concept is unique and widespread in the Danish market, but the company expects to be met with increasing competition from foreign companies and new technologies.

The company's strategy is to be a competitive, digital mobility company which, through strong partnerships, will deliver exemplary mobility services to customers in Scandinavia and during their journeys through Europe. In 2019, this resulted in an intensification of the company's business development.

This will occur through digitalisation in order to continue to provide efficient payment solutions and excellent services for customers, making BroBizz's products and services more attractive at even more points of use.

In 2018, the company launched the option to pay by number plate with the product PayByPlate. Since its launch on Storebælt, PayByPlate has been made available on the Øresund Bridge, on the Mols ferries on Kattegat and on the Bornholm service. It is also possible to use it as a means of payment at WashWorld car wash. As it has become more widespread, BroBizz A/S has gained over 400,000 PayByPlate sign-ups. BroBizz A/S's BroBizz® solution can be used at the Fjord link Frederikssund, which opened in the autumn of 2019. PayByPlate® cannot be used, however, because the Fjord link Frederikssund has developed a local number plate product via fjordpay.dk

In March 2019, it became possible for BroBizz A/S's business customers to register for a new service – EuroBizz – which provides access to toll roads at seven central and southern European countries in addition to Scandinavia. This was achieved through a partnership with TelePass S.p.A., and the plan is to expand the number of included countries and to expand the service to include BroBizz's private customers in 2020.

In accordance with its strategy, BroBizz A/S posted an increase in revenue from DKK 91 million to DKK 97 million. In 2019, investments were made in business development and in digital platforms in accordance with the strategy from 2017, and operating profit amounted to DKK 1 million.

Key figures, DKK million

BroBizz	**2019**	**2018**
Revenue	97,1	91.3
Expenses	-77.5	-69.6
Depreciation	-18.8	-17.1
Operating profit (EBIT)	0.8	4.6
Financial items excl. value adjustments	-0.3	2.2
Profit before financial value adjustments	**0.5**	**6.8**

BroBizz A/S is a 100 per cent owned subsidiary of Sund & Bælt Holding A/S. BroBizz A/S is not covered by the State guarantee

The Board of Directors of BroBizz A/S comprises:

- Mikkel Hemmingsen (Chairman)
- Mogens Hansen (Vice-Chairman)
- Bjarne Jørgensen

BroBizz Operatør A/S

BroBizz Operatør A/S was established in accordance with the Sund & Bælt Group's legal basis and can, on market terms, tender for the establishment, operation and maintenance of electronic toll systems. The company thus makes it possible to utilise the substantial knowledge and experience regarding the establishment and operation of toll systems, which have been accumulated in the Sund & Bælt Group in connection with the construction and operation of the Storebælt link.

The company's first task was to bid for the construction and operation of a toll system for the Crown Princess Mary's bridge across Roskilde Fjord. BroBizz Operatør A/S was awarded the tender and the contract was signed on 5 October 2018. The toll system was delivered well over a month ahead of schedule and became operational on 30 September 2019 as planned, two days after the official opening. The toll system is Denmark's first so-called free flow toll system. This means that the toll system is designed in such a way that drivers are not required to reduce their speed when driving through the toll station and the system contains no barrier. Instead, customers pay via the internet, BroBizz® or similar device, as well as through the vehicle's number plate.

BroBizz Operatør A/S can also bid on other future toll systems in connection with the establishment of user-financed infrastructure in Denmark, including other payment collection solutions such as vehicle equipment, camera recording of a vehicle's number plate, etc.

Key figures, DKK million

BroBizz Operatør	2019	2017/18
Revenue	21.3	1.2
Expenses	-21.9	-1.2
Depreciation	0.0	0.0
Operating profit/loss (EBIT)	-0.6	0.0
Financial items excl. value adjustments	0.0	0.0
Profit/loss before financial value adjustments	**-0.6**	**0.0**

BroBizz Operatør A/S is a 100 per cent owned subsidiary of BroBizz A/S. The company was established on 7 December 2017. BroBizz Operatør A/S is not covered by the State guarantee.

Board of Directors of BroBizz Operatør A/S comprises:

- Mikkel Hemmingsen (Chairman)
- Mogens Hansen (Vice-Chairman)
- Bjarne Jørgensen

Fehmarnbelt

The coast-to-coast link
Femern A/S is responsible for planning, constructing and operating the fixed link across the Fehmarnbelt on behalf of the Danish State, including securing the basis for regulatory approval of the coast-to-coast link.

The main framework for the company's work follows from the treaty that was signed in September 2008 between Denmark and Germany on regulatory approval, financing, construction and operation of a fixed link across the Fehmarnbelt between Rødbyhavn and Puttgarden.

In Germany, the Treaty was approved by a law passed in the Bundestag and Bundesrat in 2009 while in Denmark, the Danish Parliament approved the treaty through planning legislation (Act on planning a fixed link across the Fehmarnbelt with associated landworks, April 2009).

On 28 April 2015, the Danish Parliament adopted the "Act on the construction and operation of a fixed link across the Fehmarnbelt with associated landworks in Denmark". The Construction Act is the final Danish environmental approval of the project.

The overall financial framework for the coast-to-coast project is DKK 55.1 billion (2015 prices) in the Construction Act. In the updated financial analysis, which was published in February 2016, the construction budget totalled DKK 52.6 billion (2015 prices), including reserves of DKK 7.3 billion. In addition, there is a central reserve of DKK 2.5 billion.

Regulatory approval in Germany
Femern A/S received the signed German regulatory approval for the Fehmarnbelt project on 6 February 2019. The issue of regulatory approval in Schleswig-Holstein marked a major milestone for the implementation of the Fehmarnbelt project. The project has thus been both politically and administratively approved in Germany and an agreement has been reached between Femern A/S and the relevant German authorities as to how the project should be implemented.

The German regulatory approval was put before the general public in the spring of 2019 with the opportunity to lodge complaints against the approval to the Federal Administrative Court. It is customary in Germany for regulatory approvals of major infrastructure projects to be contested at the Federal Administrative Court.

By the appeal deadline of 8 May 2019, eight complaints against the regulatory approval had been received. The complaints concern the regulatory approval and consequently the German approval authority in Schleswig-Holstein. As project applicant, Femern A/S was issued with a third-party notice by the Federal Administrative Court.

The complaints are handled directly at the Federal Administrative Court, which decides on them. Following receipt of the complaints concerning regulatory approval, the Federal Administrative Court afforded the complainants the opportunity to submit detailed grounds for their complaints to the Federal Administrative Court.

In July 2019, the German approval authority and Femern A/S received detailed justification for the complaints from the Federal Administrative Court. In October and November 2019, the approval authority and Femern A/S, in close co-ordination, gave their responses to all eight complaints to the Federal Administrative Court.

In December 2019, the Federal Administrative Court set the dates for the final oral judicial hearings in the German court process, which will take place from September to October 2020.

The announcement from the Federal Administrative Court is, in the main, in accordance with the overall timetable for the Fehmarnbelt project, with the assumed start of construction in Germany in 2021.

The major construction contracts

On 30 May 2016, Femern A/S entered into four major construction contracts with the preferred contractors for the construction of the Fehmarnbelt tunnel. The contracts were signed with the condition that construction work would only commence when final German regulatory approval had been obtained or when Denmark's Ministry of Transport and Housing so decides.

Based on developments in the German approval process, the political parties behind the Fehmarnbelt project (the Social Democrats, Venstre, the Danish People's Party, the Radical Liberals, the Socialist People's Party, the Conservative People's Party and the Liberal Alliance) entered into a political agreement on 26 March 2019 on the implementation of construction work in Denmark on the Fehmarnbelt link.

As a result of the political agreement, Femern A/S was asked to seek agreement with the two main contractor consortia, Femern Link Contractors (FLC), the builders of the tunnel element factory, the tunnel itself and the portals and ramps, and Fehmarn Belt Contractors (FBC), responsible for the establishment of the work harbour and the dredging of the tunnel trench in the Fehmarnbelt as well as the reclamation, on commencing the following construction activities in Denmark, etc:

- Establishment of the work harbour at Rødbyhavn
- Construction of parts of the tunnel element factory at Rødbyhavn
- Establishment of the tunnel portal on Lolland
- Establishment of accommodation and administration facilities on Lolland
- Commissioning special marine equipment
- Other smaller-scale preparatory works

On 27 September 2019, Femern A/S entered into a contract with the contractor consortium, FBC, concerning the establishment of the work harbour, etc. at Rødbyhavn, without the overall construction contract with FBC consortium having started.

The contract became effective on 1 November 2019 and marked an important milestone for the Fehmarnbelt project with the implementation of the construction phase for the tunnel project on the Danish side. Major construction activities in connection with the establishment of the work harbour itself will begin in 2020.

The total economy of the contract with the contractor consortium, FBC, is within the political agreement of 26 March 2019 and the costs concerning the supplementary contract are fully funded within the project's construction budget of DKK 52.6 billion (2015 prices).

The negotiations with the contractor consortium, FLC, on the start-up of the establishment of the tunnel element factory, etc. are in progress. A minor partial agreement with FLC was entered into in January 2020.

The matter of State aid

On 13 December 2018, the European Court of Justice ruled on the financing model for the Fehmarnbelt project. In the ruling, the EU Commission's previous State aid approval of the financing of the coast-to-coast project from 2015 was annulled. Thus, the EU Commission will have to make a new decision on the financing model for the Fehmarnbelt link.

As a result of the ruling, on 5 July 2019, the European Commission launched a formal investigation procedure into State aid before a new decision on the financing of Femern A/S can be reached. In this connection, the European Commission sent a so-called "letter of formal notice" to which all interested parties have been able to comment.

On behalf of the Ministry of Transport and Housing and Femern A/S, Kammeradvokaten (Attorney General) submitted comments on the letter of formal notice to the EU Commission. In parallel, the Ministry of Transport and Housing has been in discussions with the EU Commission with a view to laying the basis for the EU Commission's preparations for a new and robust approval of the State Guarantee Model under State aid rules as soon as possible.

On 20 March 2020, the EU Commission reached their decision regarding the approval of State aid with respect to the financing of the Fehmarnbelt project, where a new support model for the project has been approved. Femern A/S will analyse the decision and its consequences and discuss this with the owner. The Fehmarnbelt project is deemed to continue to have a robust economy.

When the EU Commission's new decision has been reached, Femern A/S will analyse its consequences in further detail and discuss it with the owner.

Management of construction phase

Femern A/S' preparations for the commencement of construction work in Rødbyhavn are far advanced. Based on the political agreement of 2 March 2018 of the political parties supporting the Fehmarnbelt link concerning bringing forward the preparatory works, Femern A/S has carried out a number of construction development activities in the production area at Rødbyhavn. In connection with this, the political agreement of 26 March 2019, includes the completion of smaller-scale preparatory works which will be completed in 2020.

On 12 April 2019, Femern A/S received a so-called immediate permit from the German approval authority in Schleswig-Holstein to carry out a number of small-scale preparatory works in the production area on Fehmarn. Some of these activities have commenced. They are being carried out between 2019 and 2020 in parallel with the court proceedings at the Federal Administrative Court.

As Client, Femern A/S will have three main tasks during the construction phase:

- *Management* of the contracts in relation to the project's overall management objectives;
- *Monitoring* that the execution of the work by the contractors meets all the stipulated requirements in Denmark and Germany
- *Reporting*, information and communication on status and progress.

Management, monitoring and reporting in relation to the construction work are determined via the major construction contracts and the company's Contract Management systems which focus on Time, Economy and Safety, Organisation and Risk Management.

Organisational structure during the construction phase

Femern A/S's development of the client organisation is proceeding according to plan in terms of the plans and progress of the project. The established organisation comprises specialists and experienced employees with in-depth project knowledge about the implementation of major construction projects.

In November 2019, Femern A/S acquired the Danhotel premises in Rødbyhavn with a view to converting the property into the company's Client Centre during the construction phase. Following upgrading and development, the property will comprise office space, meeting and exhibition facilities, a reception and accommodation for the company's employees.

With the acquisition of Danhotel in Rødbyhavn and the company's offices in Burg on Fehmarn and in Hamburg, and representation in Berlin, the physical framework for Femern A/S' activities are in place.

In 2019, Femern A/S worked committedly on the readjustment of its organisation for the construction phase and acquired a range of new skills.

Recruitment and retention

In order to meet the project's objectives for the construction phase, it is essential to have employees with the right skills available throughout the entire project.

In 2019, the company implemented a targeted recruitment strategy to ensure that experienced employees in the engineering sector are brought in. The company has experienced strong interest in the project during the process to attract strong candidates from both home and abroad.

Retaining current employees is also important for the company as experience and in-depth knowledge of construction contracts, regulatory approval and other framework conditions in both Denmark and Germany are central to the continued development and implementation of the project

Management

As part of its role as a Client organisation, Femern A/S has developed a management development programme based on a combination of management and organisational theory, individual management development, executive coaching and inspirational presentation. The programme has been implemented in three modules:

- Module 1 focus on key management disciplines
- Module 2 focus on management communication and dissemination
- Module 3 focus on diversity and inclusion

The third module was implemented in 2019 with particular focus on diversity and inclusion in the process to recruit employees whose individual skills and resources will help to ensure the progress and quality of the overall project.

Economy

In 2019, Femern A/S incurred total costs of DKK 634.3 million. The assessed EU subsidy amounts to DKK 68.4 million which is offset against the overall costs. Net additions are thus DKK 565.9 million.

The company financed its activities in 2019 through an EU subsidy and on-lending via Nationalbanken. Financing has been raised for the coming years' borrowing requirements for the construction of the fixed link, and at the start of 2019, on-lending of DKK 11,750 million was raised in principle, of which DKK 5,550 million comprises advance loans. The advance loan was disbursed in the first half year 2019 Total loan financing at the end of 2019 thus nominally comprises DKK 11,750 million whilst the fair value totals DKK 12,671 million.

The excess loan proceeds are invested in securities with a nominal value of DKK 8,461 million to be used for financing in the coming period. The net debt is nominally DKK 3,155 million, and the fair value has been assessed as DKK 3,642 million.

Key figures, DKK million

Femern	2019	2018
Expenses	-1.3	-1.5
Depreciation	0.0	0.0
Operating loss (EBIT)	-1.3	-1.5
Financial items excl. value adjustments	0.0	0.0
Loss before financial value adjustments	**-1.3**	**-1.5**

Read more about the company's CSR policy at www.femern.com/da/About-us/CSR

A/S Femern Landanlæg

A/S Femern Landanlæg is a 100 per cent owned subsidiary of Sund & Bælt Holding A/S and is the parent company of Femern A/S.

A/S Femern Landanlæg was established in order to administer the ownership and financing of the Danish landworks in connection with the fixed link across the Fehmarnbelt.

Sund & Bælt Holding A/S is responsible for coordinating the planning and construction activities in the various sub-projects that comprise the overall Fehmarnbelt project. Co-ordination between the coast-to-coast link and the Danish road and rail hinterland connections covers the interfaces relating to the road and railway engineering solutions, progress in project planning and resource consumption. Furthermore, the company also deals with budget control and quarterly reporting to the Ministry of Transport and Housing.

With the adoption of the *Act on the construction and operation of a fixed link across the Fehmarnbelt with associated landworks in Denmark* in April 2015, A/S Femern Landanlæg was authorised to build and operate the Danish landworks associated with a fixed link across the Fehmarnbelt. In issuing the executive order on the delegation of certain tasks and powers for the construction and operation of a fixed link across the Fehmarnbelt with associated landworks in Denmark, the role of client for the extension and upgrading of the rail system was assigned to Banedanmark on 17 September 2015. The Danish Road Directorate is the client responsible for the upgrading and extension of the Danish road system. A/S Femern Landanlæg remains responsible for the ownership and financing of the Danish landworks.

The parties behind Fehmarnbelt link reached a political agreement on 4 March 2016 on the way forward for the project. Based on an updated financial analysis, it is evident that the total costs for upgrading the Danish landworks amount to DKK 9.5 billion (2015 prices).

The overall timetable for the Danish landworks gave the green light for the expansion and upgrading of rail facilities with Banedanmark responsible for execution, from Ringsted and down to Nykøbing Falster with completion in 2021 – apart from the electrification which will be completed in 2024.

All major construction contracts for completing the work between Ringsted and Nykøbing Falster have been concluded and implemented and some have been completed.

In 2019, the first of the three major track closures on the section was undertaken so that 46 out of a total of 54 bridges are ready for service. Of this, the completion of the new Masnedsund Bridge was the biggest task. Three out of the six stations are ready for commissioning and 75 per cent of all construction works have been carried out.

Preparations for the full expansion and upgrading of the remaining part of the railway facilities from Nykøbing Falster and down to the coast-to-coast link, with an interface at the new station of Holeby, have commenced with the tender for consultancy services at the end of 2019.

An independent quality assurance of Femern Landanlæg's construction budget was implemented during the year. An Estimate-at-Completion (EAC) has been completed as part of the report. The EAC is based on costs already incurred plus planned future costs and a risk premium based on P80. This is an estimate which carries a certain amount of uncertainty. The report estimates that under the given assumptions and with 80 per cent probability, the EAC will not exceed the budget framework of DKK 9.5 billion. On the basis of the report's recommendations, Banedanmark and A/S Femern Landanlæg have implemented a number of initiatives to support the future financial management of the project.

The company's capitalised construction costs amount to DKK 3,232 million. This comprises project costs of DKK 3,890 million offset by EU subsidy of DKK 658 million.

Key figures, DKK million

Femern Landanlæg	**2019**	**2018**
Expenses	-3.3	-3.1
Depreciation	0.0	0.0
Operating loss (EBIT)	-3.3	-3.1
Financial items excl. value adjustments	0.0	0.0
Loss before financial value adjustments	**-3.3**	**-3.1**

Øresundsbro Konsortiet I/S

In 2019, Øresundsbro Konsortiet I/S posted a profit before value adjustment of DKK 1,281 million, which is an increase of DKK 76 million over the previous year. The improvement reflects an increase in turnover of approximately DKK 50 million, higher expenses and depreciation of approximately DKK 5 million net and lower interest expenses of approximately DKK 30 million.

Road revenue increased by approximately DKK 40 million compared to 2018 and amounts to DKK 1,472 million.

Total vehicle traffic fell by 0.7 per cent compared to 2018. An average of 20,423 vehicles drove across the Øresund Bridge per day and a total of 7.5 million vehicles crossed the bridge in 2019.

Lorry traffic rose by 2.8 per cent compared to 2018. The market share for lorry traffic across Øresund totals 53.6 per cent.

Passenger car traffic fell by 0.9 per cent compared to 2018. Leisure traffic rose by 2.8 per cent compared to 2018, commuter traffic fell by 3.4 per cent compared to 2018 and other passenger car traffic fell by 2.3 per cent compared to 2018. Danish BroPas customers' leisure trips across the Øresund Bridge reached a record level. In 2019, the number of Danish contract customers' trips across the bridge increased by 10.6 per cent compared to 2018 while Swedish leisure traffic declined by 3.8 per cent over the period. The Øresund Bridge now has over 550,000 BroPas Leisure customers, which is a rise of 10.9 per cent compared to the end of 2018. The number of BroPas contracts among commuters increased by 2.2 per cent during the year while commuter traffic declined by 3.4 per cent. Lower commuter traffic and fewer cash and business trips contributed to a somewhat weaker traffic development on the link overall. Train traffic increased by almost 11 per cent compared to 2018 and now totals 12.2 million passengers.

EBIT came in at a profit of DKK 1,460 million, which is an improvement of approximately DKK 45 million compared to 2018. After value adjustment, the result for the year is a profit of DKK 855 million.

Equity at 31 December 2019 was positive at DKK 2,641 million.

The repayment period is unchanged at 50 years from the opening in 2000, which means that the Øresund Bridge will be repaid in 2050.

In 2013, HH Ferries *et al* lodged a complaint with the EU Commission claiming that the Danish/Swedish state guarantees for the Consortium's loans etc. are illegal according to the EU's State aid rules. In October 2015, the EU Commission decided that the guarantees are covered by the State aid rules, but that they are in compliance with these rules. HH Ferries *et al* brought this before the EU Court which reached its decision on 19 September 2018. The decision was an annulment of the EU Commission's decision from 2015.

The judgement did not state whether the State aid was illegal or not, but only that the Commission had made certain procedural errors. The Commission is initiating a formal investigation procedure which will lead to a new decision, probably in the first half of 2020.

Øresundsbro Konsortiet I/S publishes an independent report on Corporate Social Responsibility and sustainable development, which is found at www.oresundsbron.com/samfundsansvar

Further details about the Øresund Bridge are available from Øresundsbro Konsortiet I/S' Annual Report or at www.oresundsbron.com

Through A/S Øresund, Sund & Bælt Holding A/S owns 50 per cent of Øresundsbro Konsortiet I/S, which is responsible for the Øresund Bridge's operations.

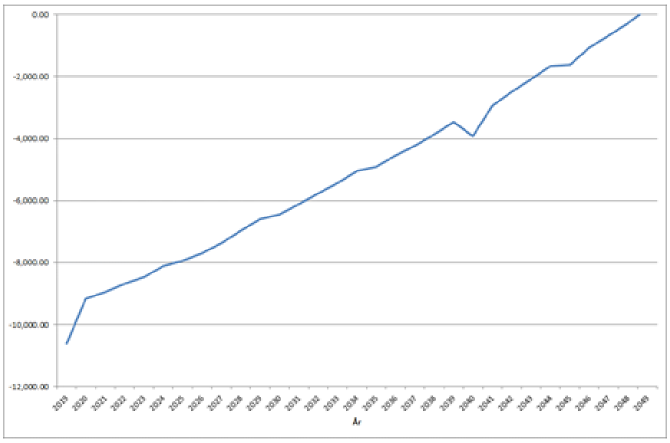
Key figures, DKK million

Øresundsbro Konsortiet	2019	2018
Revenue	2,011.0	1,956.4
Expenses	-260.7	-267.4
Depreciation	-290.1	-275.8
Operating profit (EBIT)	1,460.2	1,413.2
Net financials	-179.4	-208.5
Profit before financial value adjustments	1,280.8	1,204.7
Value adjustments	-426.1	177.1
Profit for the years	**854.7**	**1,381.8**
Group share of profits	**427.4**	**690.9**

Traffic development in per cent

	2019	2018	2017
Øresund Bridge	**-0.7**	**-0.4**	**1.4**

Øresundsbro Konsortiet I/S – Expected debt development, DKK million.



Corporate Governance

Sund & Bælt Holding A/S is a state-owned public limited company. The shareholder – the Danish State – has supreme authority over the company within the framework laid down in legislation and exercises its ownership in accordance with the guidelines set out in the publication, *"The State as Shareholder*".

The two-tier management structure consists of a Board of Directors and a Management Board, which are independent of each other. No individual is a member of both boards.

Sund & Bælt endeavours to ensure that the company is managed in accordance with the principles of sound corporate governance at all times.

NASDAQ Copenhagen's corporate governance recommendations correspond to the recommendations from the Committee for Corporate Governance updated in November 2017. Sund & Bælt generally complies with NASDAQ Copenhagen's corporate governance recommendations. Exceptions to the recommendations are owing to the Group's special ownership structure where the Danish State is the sole shareholder. The exceptions to the recommendations are:

- In connection with elections to the Board of Directors, the shareholder assesses the necessary expertise that the Board should possess. Therefore, there is no nomination committee.
- The shareholder determines the remuneration of the Board of Directors while the Board of Directors decides the salaries of the Management Board. Performance-related remuneration or bonuses for the Management Board and Board of Directors are not employed. No remuneration committee has, therefore, been established or a remuneration report prepared.
- Members of the Board of Directors elected by the Annual General Meeting stand for election every second year.
  According to the recommendations, members should stand for election every year.

Sund & Bælt meets the diversity requirements at senior management levels in that there is a 33/67per cent distribution between the genders among board members.

The company has set up an Audit Committee which, as a minimum, meets half-yearly. The members of the Audit Committee comprise Ruth Schade (Chair) and Peter Frederiksen.

The Board of Directors held four meetings during the year and all members were considered independent in 2019.

In relation to significant concurrent positions held by the senior management outside the company, please refer to the section Board of Directors, Board of Management and Senior Executives.

The Board of Directors conducted a self-evaluation in 2019 in accordance with the State's ownership policy and Corporate Governance recommendations. The Chair has submitted the conclusions of the self-evaluation to the company's owner – The Ministry of Transport and Housing.

The recommendations from the Committee for Corporate Governance are available at https://corporategovernance.dk/

Risk management and control environment

Certain events may prevent Sund & Bælt from achieving its objectives in whole or in part. The consequences and likelihood of such events occurring is an element of risk of which the Group is well aware. Some risks can be managed and/or reduced by the Group itself while others are external events over which the companies have no control. The Group has identified and prioritised certain risks based on a holistic approach. As part of the work with these issues, the Board of Directors receives a report on an annual basis.

The greatest risk to accessibility is a prolonged disruption to a traffic link caused by a ship colliding with a bridge, terrorist activity, flooding or the like. The likelihood of such incidents is remote, but the potential consequences are significant. The potential financial losses for the Group from such events, including operating losses for up to two years, are, however, covered by insurances.

Sund & Bælt's objective is to ensure that safety on the links should be high and at least as high as on similar Danish infrastructure. So far, this objective has been met and the proactive safety work continues. The work is supported by regularly updated risk analyses.

In the light of a number of accidents in the autumn of 2018, in December of the same year, Sund & Bælt initiated a review of further initiatives on the motorway section across Storebælt to increase accessibility and safety of road users and employees. The main conclusions from the review include proposals for a number of measures, including improved detection of incidents on the bridge, more signage related to incidents, and the option to direct traffic around incidents that obstruct traffic on the bridge. The planning and procurement of the initiatives is ongoing with a view to continuous and rapid implementation over the coming years.

With regard to the tragic train accident on the West Bridge on 2 January 2019, the Accident Investigation Board of Denmark found that the main reason for the accident was that the semi-trailer's main bolt was not secured to the freight wagon. Wind tunnel tests conducted by DTU for the Accident Investigation Board Denmark show that wind speed data from Sund & Bælt's wind meters on the West Bridge were accurate. At the same time, it was confirmed that the average wind speed on the West Bridge did not exceed the limits for the passage of freight trains, and that a correctly secured trailer would not be able to blow free from the wagon with the measured wind force. One of the recommendations of the Accident Investigation Board of Denmark is that the Danish Transport, Building and Housing Authority ensures that Banedanmark and A/S Storebælt analyse the need for updated safety requirements for wind restrictions on Storebælt.

In view of climate change, which is increasing the risk of generally elevated water levels and an increased risk of dangerous weather conditions, the risk of flooding to the infrastructure facilities is assessed on an ongoing basis. In the past year, the dikes on Sprogø have been raised and similar projects have also been planned for other parts of the facility. With regard to the Øresund railway and the Øresund motorway, a number of dikes have already been erected on Amager, but solutions need to be found, in collaboration with the authorities and other infrastructure stakeholders, to reduce the risk of flooding. Sund & Bælt and Metroselskabet have contacted the Ministry of Transport and Housing with a view to creating a comprehensive plan for securing the facilities.

In partnership with the relevant authorities, Sund & Bælt maintains a comprehensive contingency plan, including an internal crisis management programme for handling accidents etc. on the company's traffic facilities. The programme is tested regularly through exercises.

Long-term traffic development is a significant factor in the repayment period of the debt, c.f. notes 23 and 24, where the calculations and uncertainty factors are described. In addition to the general uncertainties that are inherent in such long-term forecasts, there is a special risk related to adjustment to prices introduced by the authorities, e.g. in the form of EU directives.

Development in the long-term maintenance and reinvestment costs is subject to some uncertainty too. Sund & Bælt works proactively and systematically to reduce such factors and it is unlikely that these risks will have a major effect on the repayment period.

Work on holistic risk management has defined and systemised certain risks linked to the company's general operations. These include the risk of computer breakdowns or a failure of other technical systems, unauthorised access to computer systems, delays to, and cost increases for, maintenance work etc. These risks are handled by day-to-day management and the line organisation.

The Sund & Bælt Group's risk management and internal controls in connection with the accounts and financial reporting are intended to minimise the risk of material error. The internal control system contains clearly defined roles and areas of responsibility, reporting requirements and procedures for attestation and approval. Internal controls are examined by the auditors and reviewed by the Board of Directors through the Audit Committee.

Environment and climate

One of Sund & Bælt's fundamental values is to support sustainable development and to contribute to meeting the objectives that society has set out with regard to the climate and the environment. This is achieved through a proactive approach to preventing and minimising the impact from the Group's activities on the surrounding world.

Key figures for selected environmental indicators

	2019	2018	Trend
Waste volume (tonnes)	1,365	1,166	↗
Water consumption (m^3)	11,222	8,755	↗
Water discharge (million m^3)	3,5	3.7	→
Electricity consumption (million kWh)	9,9	10,6	↘
CO_2 emissions (tonnes)	5,158	4,732	

Major activities were initiated in 2019 to restore the drainage system on Øresund Landanlæg (infrastructure). These activities reached their peak in the second half year of 2019 but are continuing in the first half of 2020. As a result, both waste volumes and water consumption for operation and maintenance of the Øresund Landlæg increased in 2019.

Water consumption for operation and maintenance of the Storebælt railway also increased. This is owing to the fact that in 2019, a tunnel wash was carried out three times in the Storebælt tunnel compared to twice previously.

The amount of discharged groundwater, rain and drainage water was slightly reduced compared to 2018. Most of the water is groundwater pumped up to keep the infrastructure dry.

No engineering modifications were carried out, so the reduced water volume is attributed to the amount of rain and drainage water which fluctuates from year to year. Over the past five years, between 3.5 and 3.7 million m^3 have been discharged annually.

Total electricity consumption fell by almost 0.7 million kWh in 2019. The reduced consumption is due to the mild winters of 2018/2019 and 2019/2020. It is therefore primarily the consumption for points heaters on the railway systems that has resulted in the reduced consumption. In addition, electricity consumption for operating the offshore wind turbines at Sprogø ceased with the sale of the wind turbines in 2018.

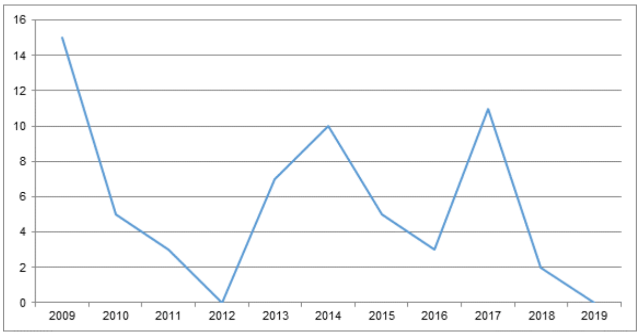
The significantly reduced consumption of electricity has a positive impact on CO_2 emissions. The rise in CO_2 emissions from 2018 to 2019 is due to the fact that the 2019 calculations also include fuel emissions from company vehicles and for employees' transport between the head office in Copenhagen and the Administration Centre in Korsør.

Priority on the working environment

A good working environment – both physically and psychologically – has high priority at Sund & Bælt. And this applies to work on the motorway or railway, at the toll station, in our workshops and offices, or at any of our many facilities. Most of the operational and maintenance work is performed by external partners and the same applies to our project implementation. The majority of administrative tasks, however, are handled by our own employees. It must be safe for our partners and our staff to go to work, which means that injuries and accidents are avoided during the working day. Sund & Bælt continues to have a working environment management system, which is certified in accordance with the OHSAS 18001 standard. This carries obligations, not just to create and maintain a good and safe working environment for everyone working for Sund & Bælt, but also to be constantly on the lookout for opportunities for improvement. We always do this in close dialogue with our own employees, our working environmental organisation and our partners' employees.

In 2019, 20 working environment incidents were reported for all Sund & Bælt's facilities, workshops and office areas (Sund & Bælt and partners) of which eight are categorised as accidents. None of the accidents led to absence. This results in an accident frequency of 0 (accidents with absence per 1 million working hours).

Number of industrial accidents per 1 million working hours , Sund & Bælt



Traffic safety on road links

One of Sund & Bælt's objectives is that it must be at least as safe to drive on the motorway across Storebælt and on the Øresund motorway as it is on other motorways in Denmark. Sund & Bælt takes a proactive approach to traffic safety, i.e. by preventing accidents through analysis and by screening all incidents.

In 2019, there was one accident on the Storebælt link with one seriously injured person and two accidents involving minor injuries on the Øresund motorway (preliminary calculations). For 2018 for which final figures are available, on both facilities, there were fewer accidents involving injury per 1 million km than on the other motorway sections in Denmark.

In 2019, the Storebælt Bridge was closed to all traffic for almost 14 hours including seven hours because of the train accident on the West Bridge on 2 January. There were also three traffic accidents that resulted in total closure of almost seven hours. In addition, there were 18 closures in one direction of a total duration of 11 hours primarily because of traffic accidents.

There have been an increasing number of closures of the Storebælt Bridge in recent years. In 2019, therefore, Sund & Bælt initiated a project which aims to create greater accessibility through the establishment of mobile barriers which can be activated in the event of accidents so that traffic can flow in both directions in either the westbound or eastbound road lane on the Storebælt Bridge.

Nature conservation on Sprogø

Sund & Bælt's policy is to maintain green areas with due regard for nature and to practise pro-active nature conservation. This is manifested on Sprogø in its maintenance as a unique natural area. Sprogø is located in the bird protection area 98 and is part of Natura 2000 area 116. Consequently, special account is taken of the area's designated protected birds. The Natura 2000 plan includes eider, sandwich tern and little tern.

The little tern breeds along the water's edge on the eastern reef, which means that nests are often flooded and destroyed. Eider forage in the sea around Sprogø and are a species upon whose general conditions Sund & Bælt has no influence.

However, the conditions for sandwich terns have been improved through straightforward means. Until 2008, only a few sandwich terns bred on Sprogø but after the establishment of a water area in what is an optimally situated area of the island for the sandwich terns and its "protector bird", the black-headed gull, the island has succeeded in attracting a large number of breeding sandwich terns. Between 2010 and 2014, the number of breeding pairs increased from year to year. In subsequent years, the number remained stable at approximately 1,000 breeding pairs. In 2019, however, this figure was reduced to approximately 750 breeding pairs. The reason for the decline is deemed to be due to the fact that it has become more difficult for the birds to find food in the areas around Sprogø.

The green toad is also found on Sprogø. This is protected according to the EU Habitats Directive (Annex IV) and is protected in Denmark. Its water holes are protected according to §3 of the Nature Protection Act and its habitats must not be damaged or destroyed.

As part of the nature monitoring programme on Sprogø, an inventory of the green toad is carried out periodically. In 2018, the population was estimated at approximately 2,400 individuals of which 1,600 live on Gl. Sprogø. In the period prior to the opening of the Storebælt fixed link, the number was calculated at 1,600-2,800 individuals on Gl. Sprogø. In 2014, approximately 4,000 individuals were estimated to inhabit Ny Sprogø, but this figure had been reduced to 800 individuals by 2018. The safeguarding of living conditions for the green toad on Sprogø therefore continues to be a priority.

During the winter period 2018-2019, a clean-up of almost all lakes and water holes was carried out on Gl. Sprogø. The result is that in 2019, significantly more young green toads were registered in water holes than in previous years. On Ny Sprogø, coastal protection was reinforced between 2017 and 2019 and as part of this, new water areas and "toad hotels" were established which are expected to improve the green toad's breeding and survival opportunities. The next population count is planned for 2021-2022 and is expected to show an increased population both on Gl Sprogø and on Ny Sprogø.

Employees

Sund & Bælt Holding A/S has 144 full-time employees who perform tasks in the parent company and its 100 per cent-owned subsidiaries. The Group's employees are employed at Sund & Bælt Holding A/S, BroBizz A/S and Femern A/S. Femern A/S accounts independently for section 99b of the Danish Financial Statements Act in the company's annual report.

This section comprises the statutory statement regarding the underrepresented gender in accordance with section 99b of the Danish Financial Statements Act. Many of the operational tasks are outsourced and are carried out by approximately 200 employees from private service companies and contractors.

Employees in the operating organisation

Fundamental values

Sund & Bælt wishes to attract, develop and retain employees with the qualifications and skills necessary for the effective fulfilment of Sund & Bælt's objectives.

The Group offers its employees attractive conditions for performing their jobs and is receptive to the wishes and needs of its employees and managers. We wish to be a group where people wish to work irrespective of age and experience.

The framework for creating a good working life is defined in Sund & Bælt's human resources policy which comprises policies for the family, seniors, health and well-being, alcohol and smoking, pay conditions, harassment, trainees/placements/flex jobs and equal rights as well as in Sund & Bælt's values and internal guidelines.

Guiding principles for gender representation policy at management levels

Sund & Bælt sees diversity in management as a strength that contributes positively to our work and management power. We seek to achieve more equal gender representation through recruitment, retention and development in order to have more female managerial candidates and a higher proportion of female executives in general.

With regards to career development, all staff are invited each year to discuss their development potential, including management development potential. Thus, both male and female candidates are considered in cases where a management position may be appropriate.

Sund & Bælt is committed to ensuring that both female and male managers are able to take maternity/paternity leave and that opportunities for flexible working hours and ways of working are provided.

Key figures 2019

The companies are subject to the requirement to report on gender representation at top management levels. In each of the companies concerned, the boards in question have achieved equal representation and have no need to report on target figures as a result. Sund & Bælt Holding A/S has decided to only set and report on targets, policies, actions and results for the companies in the Group which are independently covered by the Danish financial reporting rules.

The gender representation at top management level deteriorated compared to 2018. At the end of 2019, there were no female directors as a result of one female director stepping down and a male candidate being appointed as her replacement. The proportion of women at other levels of management was 40 per cent in 2019. This is slightly lower compared to 2018 when it stood at 44 per cent.

Sund & Bælt remains committed to retaining a high percentage of women in managerial positions and the equal opportunities policy for the Group helps to ensure a high representation of women at senior executive/managerial levels. If two candidates for a vacant position are equally qualified, gender representation is taken into account.

In 2019, Sund & Bælt continued to focus on absenteeism due to illness. From the key figures below, it can be seen that absenteeism was maintained at 2018's low level of 0.9 per cent to 1.4 per cent in 2019. This is an excellent result in which we take pride.

The rise in the number of employees at Sund & Bælt Holding A/S primarily relates to the recruitment of project workers for undertaking extensive new and reinvestment projects as well as employees to carry out work related to the Frederikssund Fjord Link.

The rise in the number of employees at BroBizz A/S relates primarily to the acquisition of new skills in connection with ongoing business development projects and resources to cover tasks relating to the launch of new areas of application and the launch of PayByPlate.

Sund & Bælt Holding A/S	2019	2018
Number of employees	144[1)]	131[1)]
Gender representation		
- Female	34 per cent	41 per cent
- Male	66 per cent	59 per cent
Gender representation, Senior Executive level		
- Female	0 per cent	17 per cent
- Male	100 per cent	83 per cent
Gender representation, other management levels		
- Female	40 per cent	44 per cent
- Male	60 per cent	56 per cent
Educational background		
- Higher	45 per cent	47 per cent
- Intermediate	34 per cent	36 per cent
- Basic	21 per cent	17 per cent
Staff turnover	12 per cent	16 per cent
Average age	50 years	50 years
Training per employee	DKK 7,432	DKK 7,286
Absenteeism caused by illness (incl. long-term)	1.4 per cent	0.9 per cent

1) Note: In addition are a changing number of student assistants

Employees in the BroBizz issuer organisation
BroBizz A/S is an issuer organisation, which was established on 1 June 2013

BroBizz A/S	2019	2018
Number of employees	52[1)]	38[1)]
Gender representation		
- Female	62 per cent	55 per cent
- Male	38 per cent	45 per cent
Gender representation, Senior Executive level		
- Female	0 per cent	33 per cent
- Male	100 per cent	67 per cent
Gender representation, other management levels		
- Female	50 per cent	86 per cent
- Male	50 per cent	14 per cent
Educational background		
- Higher	32 per cent	27 per cent
- Intermediate	10 per cent	22 per cent
- Basic	58 per cent	51 per cent
Staff turnover	20 per cent	27 per cent
Average age	40 years	41 years
Training per employee	DKK 13,058	DKK 5,520
Absenteeism caused by illness (incl. long-term)	2.2 per cent	3.7 per cent

[1)] Note: In addition are a changing number of student assistants

Employees in Femern A/S

Femern A/S is a project-based organisation under continuous development. The development follows the progress of the project taking into account the commissioning of such a complex project.

At the end of 2019, the company had 104 employees, corresponding to 97 on a full-time basis. The organisation comprises individuals of Danish, Swedish, German and British nationality.

Femern A/S	**2019**	**2018**
Number of employees	104	91
Gender representation		
- Female	43 per cent	41 per cent
- Male	57 per cent	59 per cent
Gender representation, Senior Executive level		
- Female	25 per cent	25 per cent
- Male	75 per cent	75 per cent
Gender representation, other management levels		
- Female	24 per cent	11 per cent
- Male	76 per cent	89 per cent
Educational background		
- Higher	70 per cent	68 per cent
- Intermediate	22 per cent	23 per cent
- Basic	8 per cent	9 per cent
Staff turnover	3.8 per cent	2 per cent
Average age	47 years	47 years
Training per employee	DKK 10,389	DKK 10,762
Absenteeism caused by illness (incl. long-term)	1.6 per cent	1.2 per cent

Main items in the consolidated results apportioned across the Group's companies

DKK million	Sund & Bælt Holding A/S	A/S Storebælt	A/S Øresund	Sund & Bælt Partner A/S	A/S Femern Land-anlæg	Femern A/S	BroBizz A/S	BroBizz Operatør A/S	2019 Total *)	2018 Total
Operating profit/loss (EBIT)	-32.5	2,346.8	-276.8	0.3	-3.3	-1.3	0.8	-0.6	2,019.1	2,065.1
Financing expenses excl. value adjustment	1.0	-164.9	-173.1	-	-	-	-0.3	-	-337.5	-469.8
Dividend	1,600.0	-	-	-	-	-	-	-	-	-
Profit/loss before value adjustment	**1,568.5**	**2,181.9**	**-449.9**	**0.3**	**-3.3**	**-1.3**	**0.5**	**-0.6**	**1,681.6**	**1,595.3**
Value adjustments, net	7.7	-261.8	-469.5	-	-1,034.2	-408.1	-0.7	-	2,166.5	-25.4
Profit/loss before inclusion of share of jointly managed company and tax	1,576.2	1,920.1	-919.4	0.3	-1,037.5	-409.4	-0.2	-0.6	-484.9	1,569.9
Profit from jointly managed company	-	-	427.4	-	-	-	-	-	427.4	690.9
Profit/loss before tax	**1,576.2**	**1,920.1**	**-492.0**	**0.3**	**-1,037.5**	**-409.4**	**-0.2**	**-0.6**	**-57.5**	**2,260.8**
Tax	5.2	-422.4	108.3	-0.1	228.2	90.0	-	0.1	9.5	-509.0
Profit/loss for the year	**1,581.4**	**1,497.7**	**-383.7**	**0.2**	**-809.2**	**-319.3**	**-0.2**	**-0.5**	**-48.0**	**1,751.8**

*) Note: There is a difference between the sum of the individual companies and the consolidated profits (column: 2019 total) of approx. DKK 1,600 million, which relates to intra-group trading and dividend payments.

Key figures and financial ratios for the Sund & Bælt Group

DKK million	2019	2018	2017	2016	2015
Revenue, road	2,916	2,873	3,164	3,069	2,904
Revenue, railway	333	366	427	423	703
Other income incl. ports and wind turbines	89	142	71	78	76
Expenses	-521	-510	-545	-502	-467
Depreciation, amortisation and writedowns	-798	-805	-893	-1,069	-746
Operating profit (EBIT)	2,019	2,065	2,224	1,999	2,470
Financial items before value adjustment	-338	-470	-647	-710	-758
Profit before value adjustment	1,682	1,595	1,577	1,289	1,712
Value adjustments, net	-2,167	-25	977	-512	914
Profit/loss before inclusion of share of results in jointly managed company and tax	-485	1,570	2,553	777	2,626
Share of results from jointly managed company (Øresundsbro Konsortiet I/S*))	427	691	734	405	567
Profit/loss before tax	-58	2,261	3,287	1,182	3,193
Tax	10	-509	-726	-249	-718
Profit/loss for the year	-48	1,752	2,561	933	2,475
Capital investment in road, railway and ports in the year	1,865	1,686	732	1,134	1,210
Capital investment in road, railway and ports at the end of the year	37,784	36,938	36,507	36,612	36,592
Bond loans and bank loans	52,466	44,376	39,447	41,227	40,763
Net debt (fair value)	41,332	38,746	38,892	40,479	39,862
Interest-bearing net debt	36,724	36,112	35,707	36,363	36,187
Equity	-3,025	-1,566	-1,849	-3,210	-2,943
Balance sheet total	55,804	48,181	43,525	43,886	43,518
Cash flow from operating activity	1,321	2,492	3,587	2,838	2,181
Cash flow from investing activity	-7,480	-4,101	-798	-1,168	-1,229
Cash flow from financing activity **)	5,801	2,272	-2,963	-1,644	-2,527
Total cash flow **)	-358	663	174	26	-1,575

Fiancial ratios, per cent					
Profit ratio (EBIT)	60.5	61.1	60.7	56.0	66.9
Rate of return (EBIT)	3.6	4.3	5.1	4.6	5.7
Return on facilities (EBIT)	5.4	5.6	6.1	5.5	6.8

N.B. The financial ratios are calculated as stated as referenced in Note 1, Accounting Policies.

*) Øresundsbro Konsortiet I/S' share of profits for 2019 includes an expense of DKK 213 million (income of DKK 89 million in 2018) relating to value adjustments. The result before value adjustments amounts to a profit of DKK 640 million (DKK 603 million in 2018).

**) The accounting policy regarding the presentation of bank debt in the cash flow statement has changed for 2019 and 2018. The comparative figures for 2017-15 have not been restated. For further details, see Note 1 Accounting Policies.

Financial statements

Comprehensive income statement 1 January – 31 December

(DKK million)

Sund & Bælt Holding A/S 2018	Sund & Bælt Holding A/S 2019	Note		Sund & Bælt Group 2019	Sund & Bælt Group 2018
			Revenue		
120.9	144.4	4	Net revenue	3,338.3	3,380.1
120.9	**144.4**		**Total revenue**	**3,338.3**	**3,380.1**
			Expenses		
-55.4	-52.7	5	Other operating expenses	-393.8	-394.8
-92.6	-92.6	6	Staff expenses	-127.2	-115.5
-9.7	-31.6	8-12	Depreciation, amortisation and writedowns	-798.2	-804.7
-157.7	**-176.9**		**Total expenses**	**-1,319.2**	**-1,315.0**
-36.8	**-32.5**		**Operating profit/loss (EBIT)**	**2,019.1**	**2,065.1**
		16	**Financial items**		
1,600.0	1,600.0		Received dividend from participating interests	0.0	0.0
0.1	1.0		Financial income	0.9	123.5
-1.8	0.0		Financial expenses	-338.4	-593.3
2.4	7.7		Value adjustments, net	-2,166.5	-25.4
1,600.7	**1,608.7**		**Total financial items**	**-2,504.0**	**-495.2**
1,563.9	**1,576.2**		**Profit/loss before inclusion of share of results in jointly managed company and tax**	**-484.9**	**1,569.9**
0.0	0.0	15	Share of results in jointly managed company	427.4	690.9
1,563.9	**1,576.2**		**Profit/loss before tax**	**-57.5**	**2,260.8**
-9.5	5.2	7	Tax	9.5	-509.0
1,554.4	**1,581.4**		**Profit/loss for the year**	**-48.0**	**1,751.8**
0.0	0.0		Other comprehensive income	0.0	0.0
0.0	0.0		Tax on other comprehensive income	0.0	0.0
1,554.4	**1,581.4**		**Comprehensive income**	**-48.0**	**1,751.8**

Balance sheet 31 December – Assets

(DKK million)

Sund & Bælt Holding A/S				Sund & Bælt Group	
2018	**2019**	**Note**	**Assets**	**2019**	**2018**
			Non-current assets		
			Intangible assets		
31.5	131.2	8	Software	167.6	64.9
31.5	**131.2**		**Total intangible assets**	**167.6**	**64.9**
			Property, plant and equipment		
0.0	0.0	9	Road and rail links	37,603.2	36,749.4
0.0	0.0	10	Port facilities	180.9	188.6
0.0	0.0	11	Land and buildings	90.7	84.4
16.9	11.2	11	Other fixtures and fittings, plant and equipment	54.9	56.3
0.0	81.2	12	Lease assets	81.2	0.0
16.9	**92.4**		**Total property, plant and equipment**	**38,010.9**	**37,078.7**
			Other non-current assets		
976.0	976.0	14	Participating interest in subsidiaries	0.0	0.0
0.0	0.0	15	Participating interest in affiliated companies	1,320.7	893.3
0.0	0.0		Loan to contractors	137.0	0.0
280.7	316.3	13	Deferred tax	0.0	0.0
1,256.7	**1,292.3**		**Total other non-current assets**	**1,457.7**	**893.3**
1,305.1	**1,515.9**		**Total non-current assets**	**39,636.2**	**38,036.9**
			Current assets		
			Receivables		
0.0	0.0		Inventory	0.0	1.5
300.1	309.9	17	Receivables	1,299.6	1,251.8
0.0	0.0		Securities	11,872.3	5,117.7
0.0	0.0	18	Derivatives	2,340.9	2,736.8
6.3	12.2	19	Prepayments and accrued income	136.8	160.5
306.4	**322.1**		**Total receivables**	**15,649.6**	**9,268.3**
31.0	**17.7**	20	**Cash at bank and in hand**	**517.9**	**875.7**
337.4	**339.8**		**Total current assets**	**16,167.5**	**10,144.0**
1,642.5	**1,855.7**		**Total assets**	**55,803.7**	**48,180.9**

Balance sheet 31 December – Equity and liabilities

(DKK million)

Sund & Bælt Holding A/S				Sund & Bælt Group	
2018	**2019**	**Note**	**Equity and liabilities**	**2019**	**2018**
			Equity		
355.0	355.0	21	Share capital	355.0	355.0
261.0	431.4		Retained earnings	-3,380.0	-1,921.0
616.0	**786.4**		**Total equity**	**-3,025.0**	**-1,566.0**
			Liabilities		
			Non-current liabilities		
0.0	0.0	13	Deferred tax	872.6	880.5
0.0	666.0	22	Bond loans and amounts owed to credit institutions	47,440.3	38,162.8
0.0	60.9	12	Lease liabilities	60.9	0.0
0.0	**726.9**		**Total non-current liabilities**	**48,373.8**	**39,043.3**
			Current liabilities		
312.2	0.0	22	Current portion of non-current liabilities	4,995.2	6,189.2
0.0	0.0		Credit institutions	30.3	23.9
0.0	20.3	12	Lease liabilities	20.3	0.0
714.3	322.1	25	Trade and other payables	1,019.7	1,086.2
0.0	0.0	18	Derivatives	4,331.5	3,351.7
0.0	0.0	26	Accruals and deferred income	57.9	52.6
1,026.5	**342.4**		**Total current liabilities**	**10,454.9**	**10,703.6**
1,026.5	**1,069.3**		**Total liabilities**	**58,828.7**	**49,746.9**
1,642.5	**1,855.7**		**Total equity and liabilities**	**55,803.7**	**48,180.9**

Statement of changes in equity 1 January – 31 December

(DKK million)

Sund & Bælt Holding A/S				Sund & Bælt Group		
Share capital	**Retained earnings**	**Total**		**Share capital**	**Retained earnings**	**Total**
355.0	158.6	513.6	Balance at 1 January 2018	355.0	-2,135.6	-1,780.6
0.0	0.0	0.0	Adjustment to Annual Report 2017	0.0	-68.1	-68.1
355.0	**158.6**	**513.6**	**Adjusted equity 1 January 2018**	**355.0**	**-2,203.7**	**-1,848.7**
0.0	-1,452.0	-1,452.0	Payment of extraordinary dividend	0.0	-1,452.0	-1,452.0
0.0	1,554.4	1,554.4	Profit for the year and comprehensive income	0.0	1,751.8	1,751.8
0.0	0.0	0.0	Transitional effect of IFRS 15 after tax	0.0	-17.2	-17.2
355.0	**261.0**	**616.0**	**Balance at 31 December 2018**	**355.0**	**-1,921.0**	**-1,566.0**
355.0	261.0	616.0	Balance at 1 January 2019	355.0	-1,921.0	-1,566.0
0.0	-1,411.0	-1,411.0	Payment of extraordinary dividend	0.0	-1,411.0	-1,411.0
0.0	1,581.4	1,581.4	Profit/loss for the year and comprehensive income	0.0	-48.0	-48.0
355.0	**431.4**	**786.4**	**Balance at 31 December 2019**	**355.0**	**-3,380.0**	**-3,025.0**

Cash flow statement 1 January – 31 December

(DKK million)

Sund & Bælt Holding A/S 2018	2019	Note		Sund & Bælt Group 2019	2018
			Cash flow from operating activity		
-36.8	-32.5		Profit/loss before financial items	2,019.1	2,065.1
			Adjustments		
9.7	31.6	8-12	Amortisation, depreciation and write-downs	798.2	804.7
0.0	0.0		Proceeds from the sale of fixed assets	0.0	-65.7
132.5	77.9		Joint taxation contribution	0.0	-116.1
0.7	-2.1		Adjustment for other non-cash items	-1.8	0.9
106.1	**74.9**		**Cash flow from operations (operating activities) before change in working capital**	**2,815.5**	**2,688.9**
			Change in working capital		
64.7	-124.0	17, 19	Receivables, prepayments and accrued income	-2,089.2	-1,154.5
67.1	-387.9	25, 26	Trade and other payables	595.1	957.5
237.9	**-437.0**		**Total cash flow from operating acitivity**	**1,321.4**	**2,491.9**
			Cash flow from investing activity		
1,600.0	1,600.0		Dividend from subsidiaries and associated companies	0.0	0.0
-27.3	-105.3	8-12	Purchase of intangible assets and property, plant and equipment	-2,074.6	-1,483.4
0.0	0.0		Sale of tangible assets	0.0	70.8
0.0	0.0		Received dividend from jointly managed company	0.0	535.1
0.0	0.0		Purchase of securities	-5,268.3	-3,223.3
0.0	0.0		Non-current loans	-137.0	0.0
1,572.7	**1,494.7**		**Total cash flow from investing activity**	**-7,479.9**	**-4,100.8**
1,810.6	**1,057.7**		**Free cash flow**	**-6,158.5**	**-1,608.9**
			Cash flow from financing activity		
0.0	675.8		Rasing of loans	14,026.8	12,069.5
-200.0	-300.0		Reduction of liabilities	-6,586.4	-7,667.3
0.0	-20.3		Repayment of lease liabilities	-20.3	0.0
0.0	0.0		Raising of loans at credit institutions	6.4	0.0
-113.2	0.0		Debt reduction at credit istitutions	0.0	-297.6
0.1	0.0		Interest received	0.4	3.5
-14.5	-15.5		Interest paid	-537.2	-606.5
0.0	0.0		Received EU subsidy	322.0	222.7
-1,452.0	-1,411.0		Paid dividend to shareholder	-1,411.0	-1,452.0
-1,779.6	**-1,071.0**	22	**Total cash flow from financing activity**	**5,800.7**	**2,272.3**
31.0	**-13.3**		**Change for the period in cash at bank and in hand**	**-357.8**	**663.4**
0.0	31.0	20	Cash at bank and in hand at 1 January	875.7	212.3
31.0	**17.7**		**Cash at bank and in hand at 31 December**	**517.9**	**875.7**

Notes

Note 1 Accounting policies

Sund & Bælt Holding A/S is a limited company based in Denmark. The financial section of Sund & Bælt Holding A/S's Annual Report for 2019 comprises both the consolidated financial statements for Sund & Bælt Holding A/S and its subsidiaries (the Group) as well as separate financial statements for the parent company. The consolidated financial statements and the financial statements for Sund & Bælt Holding A/S for 2019 are presented in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB and approved by the EU as well as additional Danish disclosure requirements for annual reports for companies with listed bonds (class D).

The consolidated financial statements and the parent company's financial statements are presented in Danish kroner, which is also the Group's functional currency. Unless otherwise stated, all amounts are stated in DKK million.

The accounting policies, as described below, have been applied consistently throughout the financial year and for the comparative figures. However, for standards implemented going forward, the comparative figures have not been restated.

In the cash flow statement, bank debt is presented in the form of drawings on overdraft facilities under cash flow from financing activities. This is in contrast to previously when bank debt was included as part of cash and cash equivalents.

For standards that are implemented going forward, the comparative figures are not restated.

The accounting policies for net revenue, other operating expenses, staff expenses, participating interests in subsidiaries, participating interests in jointly managed companies, receivables, prepayments and accrued income, cash at bank and in hand and accruals and deferred income are described in the respective notes.

The company has opted to use the so-called Fair Value Option under IFRS 9. This means that all loans and derivatives are measured at fair value and that changes in the fair value are recognised in the comprehensive income statement. Loans are measured at fair value on initial recognition in the balance sheet whereas derivative financial instruments are always measured at fair value, c.f. IFRS 9.

The rationale for using the Fair Value Option is that the company consistently applies a portfolio approach to financial management, which implies that the intended exposure to financial risks is managed through different financial instruments, both primary and derivative financial instruments. Accordingly, in the management of the financial market risk, the company does not distinguish between, for example, loans and derivatives, but solely focuses on overall exposure. Using financial instruments to manage financial risks could, therefore, result in accounting inconsistencies were the Fair Value Option not used.

It is the company's opinion that the Fair Value Option is the only principle under IFRS that reflects this approach as the other principles lead to inappropriate accounting inconsistencies between otherwise identical exposures depending on whether the exposure relates to loans or derivative financial instruments or necessitates extensive requirements for documentation of hedging as is the case with the rules on hedge accounting. As both loans and derivatives are measured at fair value, recognition in the financial statements will produce the same results for loans and related derivatives when hedging is effective. Thus, the company will achieve accounting consistency. Loans without associated derivative financial instruments are also measured at fair value in contrast to the main rule laid down in IFRS 9 pursuant to which loans are measured at amortised cost. This naturally leads to volatility in the profit/loss for the year as a result of value adjustments.

Implementation of new and amended accounting standards
With effect from 1 January 2019, Sund & Bælt Holding A/S implemented the following amendments or new accounting standards: IFRS 16, Leases, and IFRS 9, Early termination with negative compensation (a minor amendment to the classification) which becomes effective for the financial year beginning 1 January 2019 or later. The implementation of IFRS 16, Leases, has resulted in changes as described below. Other new or updated accounting standards have not resulted in changes in the accounting policies.

IFRS 16, Leases, which has superseded the current accounting standard on leases, IAS 17, means that largely all lease transactions must be recognised in the balance sheet in the form of a lease liability and an asset, which represents the lessee's right to use the underlying asset. There is no longer a distinction between operating leases or finance leases.

The implementation of IFRS 16 has thus increased the Group's fixed assets by DKK 81.2 million as at 31 December 2019, whereby non-current and current liabilities increased by DKK 60.9 million and DKK 20.3 million respectively at 31 December 2019. This increase in the Group's assets and liabilities amounts to approximately 0.2 per cent of the balance sheet total, which has a limited effect on the financial ratios for the balance sheet. Equity is not affected by the implementation.

The annual results are unchanged as a result of the implementation. However, there has been a shift between external expenses and depreciation in that the year's external expenses have reduced by DKK 20.3 million while the year's depreciation increased by a corresponding amount.

In the cash flow statement, instalments on the lease liability are recognised in cash flow from financing activities. Under the previously applicable accounting standard, IAS 17, all payments relating to operating lease transactions were presented as part of the cash flow from operating activities. The cash flow for the year is unchanged in that as a result of IFRS 16, there was an increase in cash flow from operating activities of DKK 20.3 million in 2019, which is offset by a corresponding negative impact from cash flow from financing activities.

The Group has applied the modified retrospective transition approach whereby comparative figures are not restated.

The Group's identified lease transactions in accordance with IFRS 16 primarily concern the lease of premises. At the time of transition, the lease liabilities are measured on a present value basis of the remaining lease. The lease term is fixed for the non-cancellable lease term. The lease asset is calculated on the basis of the calculated lease liability. The Group has not recognised lease transactions with a term of less than 12 months or with low value.

Adopted accounting standards and interpretations that have not come into effect
There are currently no revised accounting standards and interpretations adopted by the IASB and approved by the EU which will subsequently come into effect and which are relevant to the Group. .

Consolidation
The consolidated accounts cover the parent company Sund & Bælt Holding A/S and the 100 per cent owned subsidiaries A/S Storebælt, A/S Øresund, Sund & Bælt Partner A/S, Femern A/S, BroBizz A/S, BroBizz Operatør A/S and A/S Femern Landanlæg. Øresundsbro Konsortiet I/S is recognised in the consolidated accounts according to the equity method whereafter the Group's share of the annual results and equity, corresponding to 50 per cent, are recognised in the consolidated accounts. Any negative equity is recognised as a provision since Øresundsbro Konsortiet I/S is structured as a partnership with joint and several liability.

The consolidated accounts have been prepared on the basis of the accounts for Sund & Bælt Holding A/S and the subsidiaries by the addition of items of a uniform nature.

The accounts on which the consolidation is based are presented in accordance with the Group's accounting policies.

Internal income and expenses and intra-Group balances are eliminated on consolidation, and the parent company's participating interests in the subsidiaries are offset against the corresponding equity.

Newly established companies are included in the consolidated accounts from the time of establishment.

Foreign currency translation
On initial recognition, foreign currency transactions are translated into the exchange rates on the transaction date. Foreign exchange differences arising between the exchange rates on the transaction date and the rates at the date of payment are recognised in the comprehensive income statement as a financial item.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates on the balance sheet date. The difference between the exchange rate on the balance sheet date and the rate on the date at which the receivable or payable arose, or the rate recognised on the previous balance sheet date are recognised in the comprehensive income statement under financial items.

Non-monetary assets and liabilities in foreign currencies, which have not been revalued at fair value, are translated at the time of transaction at the rate of exchange on the transaction date.

Translation of financial assets and liabilities are recognised in the value adjustment and translation of receivables, payables etc. are assigned to financial income and expenses.

Segment information
According to IFRS, revenues, expenses, assets and liabilities per segment must be disclosed. Sund & Bælt's assessment is that the Group consists of one segment. Internal reporting and senior management's financial control take place on the basis of one overall segment.

Public subsidies
Public subsidies are recognised when it is reasonably probable that the subsidy conditions have been fulfilled and that the subsidy will be received.

Subsidies to cover expenses are recognised in the comprehensive income statement proportionally over the periods in which the associated expenses are recognised in the comprehensive income statement. The subsidies are offset in the costs incurred.

Public subsidies related to the computation of the road and rail facilities are deducted from the asset's cost.

Other operating income and expenses
Other operating income and expenses contain items of a secondary nature in relation to the Group's activities, including profits and losses on current sales and replacement of intangible and tangible fixed assets. Profits and losses on the sale of intangible and tangible fixed assets are calculated as the sales price less sales costs and the book value at the time of sale.

Financial items
Financial items comprise interest income and expenses, realised inflation indexation, foreign exchange gains and losses on cash at bank and in hand, securities, payables, derivatives and foreign exchange translation for transactions in foreign currencies as well as realised gains and losses relating to derivative financial instruments.

The difference in fair value at the balance sheet dates amounts to the total financial items, which, in the comprehensive income statement, are split into financial income, financial expenses and value adjustment. Financial income and expenses comprise interest income, interest expenses and realised inflation indexation from payables and derivatives. The value adjustment includes exchange gains and losses as well as foreign exchange translation for financial assets and liabilities.

Financial expenses for financing assets in progress are recognised in the cost of the assets.

Tax on the year’s results

The company is covered by the Danish rules on mandatory joint taxation of the Sund & Bælt Group companies. The subsidiaries are jointly taxed from the date they are included in the consolidated accounts and until such time when they may be omitted from the consolidation.

Sund & Bælt Holding A/S is the administrating company for joint taxation and therefore settles all tax payments with the tax authorities.

Balances below the interest deduction limitation rules of the Danish Corporation Tax Act are distributed among the jointly taxed companies in accordance with the joint taxation agreement. Deferred tax liabilities relating to such balances are recognised in the balance sheet while deferred tax assets are recognised only if the criteria for doing so are met.

Current Danish corporation tax is distributed by settlement of joint taxation contributions among the jointly taxed companies in proportion to their taxable earnings. Moreover, the companies with tax losses receive a joint taxation contribution from companies that are able to use these losses to reduce their own tax profits.

Tax for the year, which comprises the year’s current corporation tax, the year's joint taxation contribution and changes in deferred tax – including the change in the tax rate - is recognised in the comprehensive income statement with the proportion attributable to the year’s results and directly in the equity with the proportion attributable to the entries made directly in the equity.

Financial assets and liabilities

Initial recognition of financial assets and liabilities takes place on the trading date.

Initial recognition of cash at bank and in hand is recognised at fair value as well as on subsequent measurement in the balance sheet. The difference in the fair value between the balance sheet dates are recognised in the comprehensive income statement under financial items. On initial recognition, all cash at bank and in hand is classified as assets valued at fair value.

Listed securities are recognised on the trading date under current assets and subsequently measured at fair value. Changes in the fair value are recognised in the comprehensive income statement under financial items on an ongoing basis.

Holdings and returns on treasury shares are set off against equivalent bond loans issued and are therefore not recognised in the consolidated accounts’ comprehensive income statement and balance sheet.

Loans are initially and subsequently measured at fair value in the balance sheet. On recognition, all loans are classified as financial liabilities at fair value via the comprehensive income statement. Irrespective of the scope of interest rate hedging, all loans are measured at fair value with value adjustments being recognised continually in the income statement, stated as the difference in fair value between the balance sheet dates.

The fair value of bond issues of bilateral loans is calculated as the market value by discounting back future known and expected cash flows with the relevant discounting rates, as no quotations are available for unlisted bond issues and bilateral loans. Discounting rates are based on current market rates considered to apply to the Group as borrower.

Real rate loans consist of a real rate plus an allowance for inflation indexation. The expected inflation is recognised in the determination of the fair value on the real rate loans and is determined from the equilibrium inflation from the so-called "break-even" inflation swaps where a fixed inflation rate payment is exchanged against realised inflation, which is unknown at that time. Danish equilibrium inflation is calculated by a spread to Europe's "break-even" inflation swaps with HICPxT as reference index. Discounting follows from the general principles referred to above.

The fair value of loans with related structured financial instruments is determined collectively and the market value of any options for payment of interest or instalments on the loans are measured using generally accepted standard valuation methods (locked formulas) with the volatility of reference rates and foreign currencies being included.

Loans that contractually fall due after more than one year are recognised as non-current liabilities.

Derivative financial instruments are recognised and measured in the balance sheet at fair value and initial recognition in the balance sheet is stated at fair value. Positive and negative fair values are included in Financial Assets and Liabilities respectively, and positive and negative fair values on derivatives are only set off when the Group has the right and intention to settle several financial instruments collectively.

Derivative financial instruments are actively used to manage the debt portfolio and are therefore included in the balance sheet as current assets and current liabilities respectively.

Derivative financial instruments include instruments where the value depends on the underlying value of the financial parameters, primarily reference rates and currencies. All derivative financial instruments are recognised with financial counterparties and are OTC derivatives. There are no listed quotations for such transactions. Derivative financial instruments typically comprise interest rate swaps and currency swaps, forward exchange contracts, currency options, FRAs and interest rate guarantees and swaptions. The market value is determined by discounting known and expected future cash flows using relevant discounting rates. The discounting rate is determined in the same way as loans and cash at bank and in hand, i.e. based on current market interest rates that are expected to be available to the Group as borrower.

As with real rate loans, inflation swaps contain an allowance for inflation indexation. The expected inflation is recognised in the determination of the fair value on the inflation swaps and is determined from the equilibrium inflation from the so-called "break-even" inflation swaps, where a fixed inflation rate payment is exchanged against realised inflation, which is unknown at that time. Danish equilibrium inflation is calculated by a spread to Europe’s "break even" inflation swaps with HICPxT as reference index. Discounting follows from the general principles referred to above.

The fair value of derivatives with optionality in the payment flows, such as currency options, interest rate guarantees and swaptions, is determined by recognised and standardised valuation methods (closed formulas) wherein the volatility of the underlying reference rates and foreign currencies is included. Derivatives comprising a combination of several underlying financial instruments are recognised together with the sum of the fair value of the individual financial instruments.

According to IFRS 13, financial assets and liabilities, which are recognised at fair value, shall be classified in a 3-layer hierarchy for valuation methodology. Level 1 of the fair value hierarchy includes assets and liabilities recognised at quoted prices in active markets. At level 2 assets and liabilities are valued using active quoted market data as input to generally accepted valuation methods and formulas. Finally, level 3 includes assets and liabilities in the balance sheet that are not based on observable market data, and therefore require separate comment.

Intangible assets
On initial recognition, intangible assets are measured at cost. Subsequently, the assets are measured at cost less depreciation and writedowns performed.

Intangible assets are depreciated on a straight-line basis over the expected useful life, not exceeding more than 5 years.

Property, plant and equipment
On initial recognition, property, plant and equipment are measured at cost. Cost comprises the purchase price and any expenses directly attributable to the acquisition until the date when the asset is available for use. Subsequently, the assets are measured at cost less depreciation and writedowns performed.

Lease assets primarily relate to the lease of premises. The lease asset is calculated on the basis of the calculated lease liability and the lease asset’s useful life is determined by the non-cancellable lease term.

During the construction period, the value of the road and rail links was stated using the following principles:

- Expenses relating to the links are based on concluded contracts, and contracts are capitalised directly
- Other direct expenses are capitalised as the value of own work
- Net financing expenses are capitalised as construction loan interest
- EU subsidies received are set off against the cost price

Significant future one-off replacements/maintenance work are regarded as separate elements and depreciated over the expected useful life. Ongoing maintenance work is recognised in the comprehensive income statement as the costs are incurred.

Depreciation on the road and rail links commences when the construction work is finalised, and the facilities are ready for use. The facilities are depreciated on a straight-line basis over the expected useful lives. For the road and rail links across Storebælt and Øresund, the facilities are divided into components with similar useful lives:

- The main part of the links comprises structures designed with minimum useful lives of 100 years. The depreciation period for these parts is 100 years
- Mechanical installations, crash barriers and road surfaces are depreciated over useful lives of 20-50 years
- Software and electrical installations are depreciated over useful lives of 10-20 years
- Technical rail installations are depreciated over 25 years

Other assets are recognised at cost and depreciated on a straight-line basis over the assets’ useful lives:

Administrative IT systems and programmes (software)	3-5 years
Leasehold improvements, the lease period, but max.	5 years
Acquired rights	7 years
Other plant, machinery, fixtures and fittings	5-10 years
Port facilities and buildings at the ports	25 years
Buildings for operational use	25 years

Depreciation is recognised in the comprehensive income statement as a separate item.

The depreciation method and the expected useful life are reassessed annually and are changed if there has been a major change in the conditions or expectations. If there is a change to the depreciation method, the effect is recognised moving forward as a change in accounting estimates and judgements.

The basis of depreciation is stated on the basis of residual value less any writedowns. The residual value is determined at the time of acquisition and is reassessed annually. If the residual value exceeds the book value, depreciation will be discontinued.

Profits and losses in respect of disposal of property, plant and equipment are stated as the difference between the sales price less sales costs and book value at the time of sale. Profits and losses are recognised in the comprehensive income statement under other operating income or other operating expenses.

Leases effective from 1 January 2019

A lease asset and a lease liability are recognised in the balance sheet when entering a lease into a specific identifiable asset, the lease asset is made available to the Group for the lease term, and when the Group obtains the right to almost all of the economic benefits from the use of the identified asset and the right to direct the use of the identified asset.

Lease liabilities are measured initially at the present value of future lease payments discounted using an alternative borrowing rate. The lease liability is measured at amortised cost under the effective interest method. The lease liability is reassessed if the underlying contractual cash flows change as a result of the Group's assessment of whether it is reasonably certain to exercise an option to extend or to terminate.

The lease asset is measured initially at cost, corresponding to the value of the lease liability. The asset is subsequently measured at cost less any accumulated depreciation and any accumulated impairment losses. The lease asset is depreciated over the shorter of the lease term and the lease asset's useful life. Depreciation is recognised in the comprehensive income statement on a straight-line basis.

The lease asset is adjusted for changes in the lease liability as a result of changes in the terms and conditions of the lease or changes in the contractual cash flows depending on changes in an index or a rate.

Lease assets are depreciated on a straight-line basis over the expected lease term, which is:

Leased premises 5 years

The Group has elected not to recognise lease assets of low value and short-term leases in the balance sheet. Instead, lease payments relating to such leases are recognised in the comprehensive income statement on a straight-line basis.

Leases effective before 1 January 2019

Leases are classified as finance or operating leases. A lease is classified as a finance lease when it transfers substantially all the risks and benefits of owning the leased asset to the lessee. Other leases are classified as operating leases.

Leased premises and leased vehicles, which are regarded as operating leasing, are recognised in the comprehensive income statement. Operating leases are recognised in the comprehensive income statement over the term of the lease on a straight-line basis, unless another systematic method better reflects the lessee's benefit within the lease term. Leases are concluded with a lease term of 1 to 7 years.

Writedown of assets

Property, plant and equipment, intangible assets and financial fixed assets are subject to impairment testing when there is an indication that the accounting value may not be recovered (other assets are covered under IFRS 9). Impairment losses are recognised at the amount by which the asset's book value exceeds the recoverable amount, i.e. the asset's net sales price or its value in use, whichever is higher. Value in use is calculated at the present value of expected future cash flows using a pre-tax discount factor that reflects the market's current required rate of return. In determining impairment losses, assets are grouped in the smallest group of assets that generate separate identifiable cash flows (cash-generating units). See also note 24: Profitability.

Impairment losses are recognised in the comprehensive income statement.

Inventories

Inventories are measured at cost determined by the FIFO method or net realisable value, whichever is lower. The cost of raw materials and consumables comprises the purchase price plus delivery costs. Spare parts are included in property, plant and equipment.

Equity

Dividend proposed by the management for the financial year is shown as a separate item under Equity.

Current tax and deferred tax

Sund & Bælt Holding A/S and the jointly taxed companies are liable for tax on earnings, etc. for the jointly taxed companies and for any liabilities to include tax at source on interest, royalties and dividends for the jointly taxed companies.

Current tax liabilities and tax receivable are recognised in the balance sheet as tax calculated on the year's taxable income, adjusted for tax on taxable income for previous years and for tax paid on account.

Joint tax contributions payable and receivable are recognised in the balance sheet under inter-company accounts.

Deferred tax is measured using the balance-sheet liability method providing for all temporary differences between the tax base of an asset or liability and its carrying amount in the balance sheet. When the statement definition of value for tax can be performed according to different taxation rules, deferred tax is measured on the basis of the management's planned utilisation of the asset or settlement of the liability.

Deferred tax assets, including the value represented by the tax base of tax loss carryforwards, are recognised under other non-current assets at the value at which they are expected to be utilised, either through the elimination of tax on future earnings or by set-off against tax liabilities within the same legal tax entity and jurisdiction.

Balances below the interest deduction limitation rules of the Danish Corporation Tax Act are distributed among the jointly taxed companies in accordance with the joint taxation agreement. Deferred tax liabilities relating to such balances are recognised in the balance sheet while tax assets are recognised only if the criteria for deferred tax assets are met.

Adjustment of deferred tax is carried out as regards eliminations of non-realised intra-group profits and losses.

Pension obligations
The Group has established defined contribution schemes and similar agreements for its employees.

Defined contribution schemes are recognised in the comprehensive income statement in the period to which they relate, and any contributions outstanding are recognised in the balance sheet as Trade and other payables. Any prepayments are recognised in the balance sheet under Receivables.

Other financial liabilities
Other financial liabilities are measured at amortised cost which usually corresponds to the nominal value.

Cash flow statement
The consolidated cash flow statement has been prepared in accordance with the indirect method based on the comprehensive income statement items. The Group’s cash flow statement shows the cash flows for the year, the year's changes in cash and cash equivalents as well as the Group’s cash and cash equivalents at the beginning and end of the year.

Cash flow from operating activities is determined as the profit/loss for the year before financial items adjusted for non-cash operating items, corporation tax and changes in working capital. The working capital comprises the operations-related balance sheet items recognised in current assets and current liabilities.

Cash flow from investing activities comprises the acquisition and disposal of intangible assets, property, plant and equipment and financial assets as well as dividend from jointly managed company.

Cash flow from financing activities comprises borrowing, repayment of lease obligations, repayment of debt, financial items and dividend to the shareholder.

Cash and cash equivalents comprise cash at bank and in hand and securities that, at the time of acquisition, have a maturity of three months or less and which can be converted into cash at bank and in hand and where there are only insignificant risks of changes in value.

Financial ratios
The following financial ratios presented under financial highlights are calculated as follows:

Profit ratio:	Operating profit (EBIT) in percentage of revenue.
Rate of return:	Operating profit (EBIT) in percentage of total assets
Return on facilities:	Operating profit (EBIT) in percentage of investment in road and rail links

Note *2* Significant accounting estimates and judgements

Determining the carrying amount of certain assets and liabilities requires an estimate of how future events will affect the value of such assets and liabilities at the balance sheet date. Estimates deemed significant to the preparation of the financial statements are, for instance, made by computing depreciation of and impairment losses on road and rail links and by computing the fair value of certain financial assets and liabilities.

Depreciation of the road and rail links is based on an assessment of their main components and their useful lives. An ongoing estimate of the assets' useful life is undertaken. Any change in these assessments will significantly affect the profit/loss for the year but will not affect cash flows. For certain financial assets and liabilities, an estimate is made of the expected future rate of inflation when calculating the fair value.

The calculation of fair value of financial instruments is based on estimates of the relevant discounting rate for the Group, volatility of reference rates and currency for financial instruments with an option for cash flows and estimates of future inflation for real rate loans and swaps. Estimates for determining fair values and the need for impairment are, as far as possible, based on observable market data and continuously adjusted to actual price indications, see note 1 Accounting policies.

With regard to the calculation of deferred tax, an estimate is made of the future utilisation of tax losses carried forward and reduced net financing expenses, which are based on the projected future earnings of the Group and the projected lifetime of the assets. As far as possible, the estimates are based on observable market data continuously adjusted in line with inflation indexation and current price indications. See note 13 Deferred tax.

A/S Øresund and Øresundsbro Konsortiet I/S' facilities are deemed to be cash generating units in that the companies' road and rail links function as one overall unit.

A/S Storebælt's facilities are deemed to be a cash generating unit in that the company's road and rail link functions as one overall unit

Note 3 Segment information

The segment information below is the information that is mandatory even if there is only one segment, c.f. Note 1 Accounting Policies.

Revenue from the road facilities comprises payment per vehicle crossing the link. Revenue from the rail facilities comprises fees from Banedanmark. This operating income thus includes net revenue for one customer amounting to more than 10 per cent of the Group's total revenue.

The Group's entire revenue is generated in Denmark and there are no transactions between net revenues.

Besides the fee from Banedanmark in revenue, rail facilities, the Group is not dependent on individual major customers and has no transactions with individual customers that amount to 10 per cent of the Group's net revenue or more.

Other revenue comprises revenue from the use of fibre optic and telephone cables on the Storebælt Bridge.

Note 4 Net revenue

Revenue from the sale of services is recognised as the services are provided, and if the revenue can be measured reliably and is expected to be received. Revenue is measured excl. VAT, taxes and discounts in connection with the sale. Revenue includes revenue from the road and rail facilities, charges for the use of port facilities and the sale of electricity produced by wind turbines.

Revenue from the road link comprises payment per vehicle crossing the Storebælt link. Payment is charged in cash via debit/credit card with subsequent invoicing or as prepayment. Prepaid journeys are recognised as they are consumed. Revenue from the rail link includes fees from Banedanmark for the use of the rail links. The charges on the Storebælt link and the rail fees have been set by the Minister of Transport and Housing.

Revenue from wind turbines comprises the sale of electricity. The wind turbines were sold in the spring of 2018. The proceeds from the sale amounted to DKK 65.7 million and are recognised in other revenue.

In addition, other revenue also comprises the sale of development rights for DKK 7.5 million in 2018 and revenue from the use of fibre optic and telephone cables.

Net revenue is specified as follows:

Sund & Bælt Group

Specification of revenue in 2019	A/S Storebælt	A/S Øresund	Other companies	Total
Revenue from road links	2,916.4	0.0	0.0	2,916.4
Revenue from rail links	292.4	40.2	0.0	332.6
Revenue from port facilities	27.5	0.0	0.0	27.5
Other revenue	6.6	0.8	54.4	61.8
Total revenue	**3,242.9**	**41.0**	**54.4**	**3,338.3**

Sund & Bælt group

Specification of revenue in 2018	A/S Storebælt	A/S Øresund	Other companies	Total
Revenue from road links	2,872.6	0.0	0.0	2,872.6
Revenue from rail links	305.0	60.8	0.0	365.8
Revenue from port facilities	28.9	0.0	0.0	28.9
Revenue from wind turbines	6.8	0.0	0.0	6.8
Other revenue	69.3	9.6	27.1	106.0
Total revenue	**3,282.6**	**70.4**	**27.1**	**3,380.1**

Sund & Bælt A/S's net revenue comprises fees received from subsidiaries.

Note 5 Other operating expenses

Other operating expenses comprise expenses relating to the technical, transport and commercial operations of the links. This includes, for instance, operation and maintenance of technical systems, collection of tolls and operation of payment facilities, insurances, external services, IT, variable cost of office space and office supplies.

Audit fees are specified as follows

Sund & Bælt Holding A/S		Fees to auditors elected by annual general meeting	Sund & Bælt Group	
2018	**2019**	**PricewaterhouseCoopers**	**2019**	**2018**
0.2	0.2	Statutory audit	0.9	0.8
0.0	0.0	Other assurance statements	0.0	0.1
0.7	0.7	Tax advice	0.7	0.7
0.5	0.5	Other	5.0	0.7
1.4	**1.4**	**Total audit fees**	**6.6**	**2.3**
0.0	0.0	Recognised under property, plant and equipment	-4.2	0.0
1.4	**1.4**	**Audit fees in respect of the comprehensive income statement**	**2.4**	**2.3**

Sund & Bælt Holding A/S		Fees to auditors elected by annual general meeting	Sund & Bælt Group	
2018	**2019**	**PricewaterhouseCoopers**	**2019**	**2018**
0.2	0.2	Statutory audit	0.9	0.8
0.0	0.0	Other assurance statements	0.0	0.1
0.7	0.7	Tax advice	0.7	0.7
0.5	0.5	Other	5.0	0.7
1.4	**1.4**	**Total audit fees**	**6.6**	**2.3**
0.0	0.0	Recognised under property, plant and equipment	-4.2	0.0
1.4	**1.4**	**Audit fees in respect of the comprehensive income statement**	**2.4**	**2.3**

Note 6 Staff expenses

Staff expenses include total expenses for employees, management and the Board of Directors. Staff expenses comprise direct payroll costs, defined contribution pension schemes, training courses and other direct staff expenses.

Staff expenses are recognised as an expense for the period in which the work was performed. The same applies to costs for salary-related taxes, earned holiday allowance and similar expenses.

Sund & Bælt Holding A/S			Sund & Bælt Group	
2018	**2019**		**2019**	**2018**
80.1	79.6	Wages and salaries, remuneration and emoluments	186.6	171.4
7.9	8.6	Pension contributions	14.1	11.7
1.4	1.9	Social security expenses	4.9	3.3
3.2	2.5	Other staff expenses	8.5	7.3
92.6	**92.6**	**Total staff expenses**	**214.1**	**193.7**
0.0	0.0	Recognised in property, plant and equipment in progress	-86.9	-78.2
92.6	**92.6**	**Staff expenses as per comprehensive income**	**127.2**	**115.5**
129	140	Average number of emplyees	274	241
131	144	Number of employees at 31 December	301	261

Fees to Management Board (DKK 1,000)

	Fixed salary	Pensions	Non-monetary benefits	Total
2019				
Mikkel Hemmingsen	2,374	398	3	2,775
Other members of the Management Board (4 people)	5,023	502	324	5,849
Total	**7,397**	**900**	**327**	**8,624**
2018				
Mikkel Hemmingsen	2,317	396	3	2,716
Other members of the Management Board (4 people)	4,910	491	337	5,738
Total	**7,227**	**887**	**340**	**8,454**

The CEO is employed by the parent company and by A/S Storebælt, A/S Øresund and A/S Femern Landanlæg. Remuneration from the parent company amounts to DKK 1.4 million (DKK 1.4 million in 2018).

Fees to the Board of Directors (DKK 1,000)

Total 2019		**Total 2018**	
Peter Frederiksen (Chariman))	312	Peter Frederiksen (Chariman))	310
Jørn Tolstrup Rohde (Vice Chairman)	228	Jørn Tolstrup Rohde (Vice Chairman)	227
Walter Christophersen	156	Walter Christophersen	155
Claus Jensen	156	Claus Jensen	155
Ruth Schade	156	Ruth Schade	155
Lene Lange	156	Lene Lange	155
Martin Duus Havelykkke	156	Martin Duus Havelykkke	155
Christina Bendixen Würtz	156	Christina Bendixen Würtz	155
Jens Willemoes	156	Jens Willemoes	155
Total	**1,632**	**Total**	**1,622**

Should the company terminate the employment of the CEO, a contract has been agreed for the payment of severance pay corresponding to 12 months' salary.

One of the members of the Management Board is employed in the jointly managed company, which is why half the remuneration is included in the amount.

There are no incentive payments or bonus schemes for the Management Board and Board of Directors.

Key management personnel, comprising the Board of Management and the Management Board, are remunerated as shown above.

Note 7 Tax

Sund & Bælt Holding A/S 2018	Sund & Bælt Holding A/S 2019		Sund & Bælt Group 2019	Sund & Bælt Group 2018
132.5	77.9	Tax paid	0.0	-48.0
-124.7	-72.7	Change in deferred tax	9.4	-450.2
-18.5	-21.9	Adjustment tax paid, previous year	1.6	-14.7
1.2	21.9	Adjustment deferred tax, previous year	-1.5	3.9
-9.5	**5.2**	**Total tax**	**9.5**	**-509.0**
		Tax on the year's results is specified as follows:		
-344.1	-346.8	Computed 22.0 per cent tax on annual results	12.7	-497.4
334.6	352.0	Other adjustments[1)]	-3.2	-11.6
-9.5	**5.2**	**Total**	**9.5**	**-509.0**
0.6	-0.3	**Effective tax rate**	16.1	22.5

1) Note: The adjustment for Sund & Bælt Holding A/S relates to the dividend received from the subsidiary.

Note 8 Software

Sund & Bælt Holding A/S 2018	2019		Sund & Bælt Group 2019	2018
15.1	38.8	Original cost at 1 January	122.4	80.8
23.7	103.8	Additions for the year	115.8	42.2
38.8	**142.6**	**Original cost at 31 December**	**238.2**	**122.4**
4.6	7.3	Depreciation at 1 January	57.5	47.9
2.7	4.1	Depreciation for the year	13.1	9.6
7.3	**11.4**	**Depreciation at 31 December**	**70.6**	**57.5**
31.5	**131.2**	**Book value**	**167.6**	**64.9**
0.0	0.0	Depreciation is recognised in Projects in progress	1.6	0.1

Note 9 Road and rail links

Projects in progress comprise the road and rail facilities in connection with the Fehmarnbelt link.

Sund & Bælt Group	Directly capitalised expenses	Value of own work	Financing expenses (net)	Projects in progress	Total 2019	Total 2018
Original cost at 1 January	31,869.5	1,563.0	10,088.4	5,974.9	49,495.8	48,342.8
Additions for the year	50.4	90.5	-1.6	1,719.9	1,859.2	1,676.8
Received EU subsidy	0.0	0.0	0.0	-279.3	-279.3	-480.0
Disposals for the year	-24.0	0.0	0.0	0.0	-24.0	-43.8
Original cost at 31 December	**31,895.9**	**1,653.5**	**10,086.8**	**7,415.5**	**51,051.7**	**49,495.8**
Depreciation at 1 January	9,510.0	404.4	2,832.0	0.0	12,746.4	12,034.2
Depreciation for the year	575.3	17.8	133.0	0.0	726.1	756.0
Depreciation on assets disposed	-24.0	0.0	0.0	0.0	-24.0	-43.8
Depreciation at 31 December	**10,061.3**	**422.2**	**2,965.0**	**0.0**	**13,448.5**	**12,746.4**
Book value	**21,834.6**	**1,231.3**	**7,121.8**	**7,415.5**	**37,603.2**	**36,749.4**

In projects in progress, financing expenses excluding financial value adjustments for the year are recognised at revenue of DKK 1.6 million (2018: expense of DKK 3.3 million). All financing expenses excluding financial value adjustments in the companies with projects in progress are used for the asset and therefore capitalised.

Femern A/S receives EU subsidies to cover expenses, and this is recognised in the balance sheet. Femern A/S recognised earnings of DKK 68 million in 2019.

In the costs incurred by A/S Femern Landanlæg of DKK 3,890 million (2018: DKK 2,791 million), EU subsidies of DKK 658 million are offset (2018: DKK 447 million) of which DKK 211 million was included in 2019.

Note 10 Port facilities

Sund & Bælt Group	2019	2018
Original cost at 1 January	351.5	343.6
Additions for the year	6.2	9.0
Disposals for the year	-3.7	-1.1
Original cost at 31 December	**354.0**	**351.5**
Depreciation at 1 January	162.9	151.0
Depreciation for the year	13.9	13.0
Depreciation on assets disposed	-3.7	-1.1
Depreciation at 31 December	**173.1**	**162.9**
Book value	**180.9**	**188.6**

Note 11 Land, buildings and other plant

Sund & Bælt Group	Land and buildings	Machinery, fixtures and fittings	Leasehold improve-ments	Total 2019
Original cost at 1 January	166.3	205.3	66.0	271.3
Additions for the year	12.8	19.2	1.3	20.5
Disposals for the year	0.0	-3.5	0.0	-3.5
Original cost at 31 December	**179.1**	**221.0**	**67.3**	**288.3**
Depreciation at 1 January	81.9	160.8	54.2	215.0
Depreciation for the year	6.5	15.5	6.1	21.6
Depreciation on assets disposed	0.0	-3.2	0.0	-3.2
Depreciation at 31 December	**88.4**	**173.1**	**60.3**	**233.4**
Book value	**90.7**	**47.9**	**7.0**	**54.9**
Depreciation is recognised in Projects in progress	0.4	1.2	0.1	1.3

Sund & Bælt Group	Land and buildings	Machinery, fixtures and fittings	Leasehold improve-ments	Total 2018
Original cost at 1 January	167.7	191.1	66.0	257.1
Additions for the year	0.6	15.6	0.0	15.6
Disposals for the year	-2.0	-1.4	0.0	-1.4
Original cost at 31 December	**166.3**	**205.3**	**66.0**	**271.3**
Depreciation at 1 January	77.0	147.2	47.5	194.7
Depreciation for the year	6.9	14.7	6.7	21.4
Depreciation on assets disposed	-2.0	-1.1	0.0	-1.1
Depreciation at 31 December	**81.9**	**160.8**	**54.2**	**215.0**
Book value	**84.4**	**44.5**	**11.8**	**56.3**
Depreciation is recognised in Projects in progress	0.4	1.4	0.4	1.8

Sund & Bælt Holding A/S	Machinery, fixtures and fittings	Leasehold improve-ments	Total 2019
Original cost at 1 January	7.7	35.2	42.9
Additions for the year	0.2	1.3	1.5
Disposals for the year	-0.7	0.0	-0.7
Original cost at 31 December	**7.2**	**36.5**	**43.7**
Depreciation at 1 January	2.6	23.4	26.0
Depreciation for the year	1.2	6.0	7.2
Depreciation on assets disposed	-0.7	0.0	-0.7
Depreciation at 31 December	**3.1**	**29.4**	**32.5**
Book value	**4.1**	**7.1**	**11.2**

Sund & Bælt Holding A/S	Machinery, fixtures and fittings	Leasehold improve-ments	Total 2018
Original cost at 1 January	4.1	35.2	39.3
Additions for the year	3.6	0.0	3.6
Original cost at 31 December	**7.7**	**35.2**	**42.9**
Depreciation at 1 January	1.9	17.1	19.0
Depreciation for the year	0.7	6.3	7.0
Depreciation at 31 December	**2.6**	**23.4**	**26.0**
Book value	**5.1**	**11.8**	**16.9**

Note 12 Leases

Sund & Bælt Holding A/S			Sund & Bælt Group	
2018	**2019**		**2019**	**2018**
0.0	0.0	Original cost at 1 January	0.0	0.0
0.0	101.5	Effect on transition 1 January 2019	101.5	0.0
0.0	**101.5**	**Original cost at 31 December**	**101.5**	**0.0**
0.0	0.0	Depreciation at 1 January	0.0	0.0
0.0	20.3	Depreciation for the year	20.3	0.0
0.0	**20.3**	**Depreciation at 31 December**	**20.3**	**0.0**
0.0	**81.2**	**Book value**	**81.2**	**0.0**
		Lease liabilities		
		Maturity of lease liabilities		
0.0	20.3	Under 1 year	20.3	0.0
0.0	40.6	Between 1 to 3 years	40.6	0.0
0.0	20.3	Between 3 to 5 years	20.3	0.0
0.0	0.0	Over 5 years	0.0	0.0
0.0	**81.2**	**Total undiscounted lease liabilities at 31 December**	**81.2**	**0.0**
		Lease liabilities included in balance sheet		
0.0	20.3	Current	20.3	0.0
0.0	60.9	Non-current	60.9	0.0
0.0	**81.2**	**Total**	**81.2**	**0.0**

Note 13 Deferred tax

As a consequence of the capitalisation of financing expenses during the construction period for A/S Storebælt and A/S Øresund, the carrying amount of the facility is higher than the tax value.

Deferred tax is offset as the underlying assets and liabilities are realised, including that the companies in the joint taxation under Sund & Bælt Holding A/S achieve positive taxable incomes. The Group is responsible for the construction of the fixed links across Storebælt and Øresund and during the construction phase, the companies realised tax losses in that the income base can only be realised when the links are ready for use. The utilisation of the companies' losses carried forward extends over a period longer than five years, but since the main components of the companies' property, plant and equipment have an estimated service life of 100 years, it is deemed prudent to recognise the tax value of the losses carried forward and the reduced net financing expenses without impairment.

Sund & Bælt Holding A/S			**Sund & Bælt Group**	
2018	**2019**		**2019**	**2018**
406.9	280.7	Balance at 1 January	-880.5	-407.8
-124.7	-72.7	Deferred tax for the year	9.4	-450.2
1.2	21.9	Adjustment deferred tax, previous year	-1.5	3.9
-2.7	86.4	Other adjustments	0.0	-26.4
280.7	**316.3**	**Balance at 31 December**	**-872.6**	**-880.5**
		Deferred tax relates to:		
7.1	8.1	Intangible fixed assets and property, plant and equipment	-1,781.8	-1,543.2
0.0	0.0	Property, plant and equipment, Øresundsbro Konsortiet I/S	-271.0	-214.0
269.2	301.5	Reduced net financing expenses	696.8	412.2
4.4	6.7	Tax loss	483.4	464.5
280.7	**316.3**	**Total**	**-872.6**	**-880.5**

Difference during the year

Sund & Bælt Group	**1 Jan 2018**	**Adjustments for the year 2018**	**31 Dec 2018**	**Adjustments for the year 2019**	**31 Dec 2019**
Intangible fixed assets and property, plant and equipment	-1,243.3	-299.9	-1,543.2	-238.6	-1,781.8
Property, plant and equipment, Øresundsbro Konsortiet I/S	-154.3	-59.7	-214.0	-57.0	-271.0
Reduced net financing expenses	498.6	-86.4	412.2	284.6	696.8
Tax loss	491.2	-26.7	464.5	18.9	483.4
Total	**-407.8**	**-472.7**	**-880.5**	**7.9**	**-872.6**

Difference during the year

Sund & Bælt Holding A/S	**1 Jan 2018**	**Adjustments for the year 2018**	**31 Dec 2018**	**Adjustments for the year 2019**	**31 Dec 2019**
Intangible fixed assets and property, plant and equipment	6.5	0.6	7.1	1.0	8.1
Reduced net financing expenses	396.0	-126.8	269.2	32.3	301.5
Tax loss	4.4	0.0	4.4	2.3	6.7
Total	**406.9**	**-126.2**	**280.7**	**35.6**	**316.3**

Note 14 Participating interests in subsidiaries

Participating interests in subsidiaries are measured at cost or any lower recoverable amount

	Sund & Bælt Holding A/S	
	2019	**2018**
Original cost at 1 January	976.0	976.0
Capital contribution for the year	0.0	0.0
Orginal cost at 31 December	**976.0**	**976.0**
Book value at 31 December	**976.0**	**976.0**

	Registered office	Owner-ship	Share capital	Equity 1 Jan	Profit/ loss	Dividend paid	Equity 31 Dec
A/S Storebælt	Copenhagen	100 per cent	355.0	4,109.0	1,497.7	-1,600.0	4,006.7
A/S Øresund	Copenhagen	100 per cent	5.0	-6,032.5	-383.7	0.0	-6,416.2
A/S Femern Landanlæg	Copenhagen	100 per cent	500.0	679.5	-809.2	0.0	-129.7
Sund & Bælt Partner A/S	Copenhagen	100 per cent	5.0	11.1	0.2	0.0	11.3
BroBizz A/S	Copenhagen	100 per cent	30.0	123.6	-0.2	0.0	123.4
Total			**895.0**	**-1,109.3**	**304.8**	**-1,600.0**	**-2,404.5**

Activity of the subsidiaries	
A/S Storebælt	The primary responsibility is to own and operate the fixed link across Storebælt.
A/S Øresund	The primary responsibility is to own and operate the fixed link across Øresund with related landworks.
A/S Femern Landanlæg	The primary objective is to own and co-ordinate the planning and construction works, including taking other necessary actions relating to the expansion and upgrading of the related landworks for the fixed link across the Fehmarnbelt. In addition, the company's objective is to own all shares in Femern A/S.
Sund & Bælt Partner A/S	The primary responsibility is to provide client consultancy relating to infrastructure projects in Denmark and abroad. The company also provides consultancy in respect to both transport and financial planning.
BroBizz A/S	The primary task is to operate as an issuer of BroBizz® and PayByPlate® for use on user-paid infrastructure. The company's objective is also to hold all shares in BroBizz Operatør A/S.

Note 15 Participating interests in jointly managed company

The participating interest in the jointly managed company is measured in the balance sheet according to the equity method, after which the proportionate share of the company's calculated carrying amount is recognised. Any losses on the participating interest are recognised under provisions in the balance sheet.

Øresundsbro Konsortiet I/S is jointly managed by A/S Øresund and SVEDAB AB. It is a shared ownership both legally and in terms of voting rights. Furthermore, the two owners are jointly and severally liable for the jointly managed company's liabilities, and the owners cannot transfer rights or liabilities between each other without the prior consent of the other party.

Øresundsbro Konsortiet I/S is based in Copenhagen/Malmö and the Sund & Bælt Group's ownership interest is 50 per cent.

	Sund & Bælt Group	
	2019	**2018**
Value of participating interest at 1 January	893.3	759.5
Share of annual profits	427.4	690.9
Transitional effect IFRS 15	0.0	-22.0
Dividend paid	0.0	-535.1
Participating interest at 31 December	**1,320.7**	**893.3**
Carried forward to provisions at 1 January	0.0	0.0
Carried forward to provisions at 31 December	**0.0**	**0.0**
Value of participating interest at 31 December	**1,320.7**	**893.3**

Key figures from the jointly managed company		
Revenue	2,011.0	1,956.4
Expenses	-260.7	-267.4
Depreciation	-290.1	-275.8
Financial items	-179.4	-208.5
Value adjustment	-426.1	177.1
Profit and comprehensive income	854.7	1,381.8
Current assets	1,969.1	1,486.3
- Of which cash and cash equivalents	1.4	1.5
Non-current assets	14,866.8	15,067.8
Equity	2,641.4	1,786.6
Current liabilities	6,109.1	3,399.4
- Of which current financial liabilities	4,942.3	2,943.9
Non-current liabilities	8,085.5	11,368.1
- Of which non-current financial liabilities	8,085.5	11,368.1
Contingent liabilities	94.4	83.4

The year’s financial result for Øresundsbro Konsortiet I/S is a profit of DKK 855 million. (2018: DKK 1,382 million).

The Group’s share of Øresundsbro Konsortiet I/S profit of DKK 427 million (2018: DKK 691 million) is recognised in the comprehensive income statement as Share of profit in jointly managed company.

Note 16 Financial items

The Group recognises changes in the fair value of financial assets and liabilities through the comprehensive income statement. The difference in the fair value between the balance sheet dates constitutes the total financial income and expenses allocated between value adjustments and net financing expenses where the latter comprises interest income and expenses.

Net financing expenses comprise accrued nominal/real coupons rates, realised inflation indexation and amortisation of premiums/discounts while premiums and expected inflation indexation are included in the value adjustments.

Value adjustments comprise realised and unrealised gains and losses on financial assets and liabilities and foreign exchange gains and losses.

Sund & Bælt Holding A/S			Sund & Bælt Group	
2018	**2019**		**2019**	**2018**
		Financial income		
1,600.0	1,600.0	Income from participating interests	0.0	0.0
0.1	1.0	Interest income, securities, banks etc.	0.9	4.0
0.0	0.0	Interest income, financial instruments	0.0	119.5
1,600.1	**1,601.0**	**Total financial income**	**0.9**	**123.5**
		Financial expenses		
-1.8	0.0	Interest expenses, loans	-336.0	-592.2
0.0	0.0	Other financial items, net	-2.4	-1.1
-1.8	**0.0**	**Total financial expenses**	**-338.4**	**-593.3**
1,598.3	**1,601.0**	**Net financing expenses**	**-337.5**	**-469.8**
		Value adjustments, net		
0.0	0.0	- Securities	2.9	3.7
2.4	7.7	- Loans	-417.8	-92.1
0.0	0.0	- Currency and interest rate swaps	-1,343.9	185.9
0.0	0.0	- Currency options	-1.2	-1.0
0.0	0.0	- Other value adjustments	-406.5	-121.9
2.4	**7.7**	**Value adjustments, net**	**-2,166.5**	**-25.4**
1,600.7	**1,608.7**	**Total financial items**	**-2,504.0**	**-495.2**
0.0	**0.0**	**Of which financial instruments**	**-1,345.1**	**304.4**

Commission to the Danish State of DKK 67.3 million (2018: commission totalled DKK 48.8 million) is recognised in interest expenses.

Net financing expenses for the Group were DKK 132.3 million lower in 2019 compared to 2018. This is primarily due to the impact of lower market rates and lower inflation indexation.

Note 17 Receivables

Trade receivables are measured at amortised cost. Trade receivables comprise amounts owed by customers, balances with payment card companies and receivables relating to the rail fee (DKK 45 million). As at 31 December 2019, payment card companies represent approximately 9 per cent of total trade receivables.

Write-downs are made to offset losses where it is deemed that an individual receivable or a portfolio of receivables is impaired. Impairment losses are determined based on historical loss experience and future expected losses. As at 31 December 2019, of the total trade receivables of DKK 359 million provision for unsecured receivables was recognised at DKK 2.6 million, which thus constitutes the calculated risk from customer losses. The book value of receivables thus represents the expected realisable value. There are no significant receivables due that are not impaired.

Receivables also comprise accrued interest in respect of assets, receivables in respect of affiliated companies and other receivables.

Other receivables are measured at the current value of the amounts expected to be received.

Sund & Bælt Holding A/S			Sund & Bælt Group	
2018	**2019**		**2019**	**2018**
3.4	3.1	Sales and services	358.5	356.0
276.2	279.3	Group enterprises	0.0	0.0
0.0	1.1	Receivables, Øresundsbro Konsortiet I/S	0.0	0.0
0.0	0.0	Accrued interest, financial instruments [1)]	704.9	574.4
20.5	26.4	Other receivables	236.2	321.4
300.1	**309.9**	**Total receivables**	**1,299.6**	**1,251.8**
		Accrued interest:		
0.0	0.0	Investments	29.9	11.9
0.0	0.0	Payables	10.6	0.1
0.0	0.0	Interest rate swaps	630.6	538.7
0.0	0.0	Currency swaps	33.8	23.7
0.0	**0.0**	**Total accrued interest**	**704.9**	**574.4**

[1)] Note: See note 22.

Note 18 Derivatives

The fair value adjustment of financial assets and liabilities is recognised in the comprehensive income statement.

	2019		2018	
Sund & Bælt Group	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Interest rate swaps	1,670.8	-4,237.8	1,942.1	-3,267.9
Currency swaps	670.1	-93.6	792.8	-82.7
Forward exchange contracts	0.0	-0.1	1.9	-1.1
Currency options	0.0	0.0	0.0	0.0
Total derivatives	**2,340.9**	**-4,331.5**	**2,736.8**	**-3,351.7**

Note 19 Prepayments and accrued income

Prepayments and accrued income comprise paid expenses relating to subsequent financial years

Sund & Bælt Holding A/S			Sund & Bælt Group	
2018	2019		2019	2018
0.0	0.0	Prepaid rent	0.0	0.3
5.6	5.9	Prepaid insurance premiums	27.1	33.6
0.7	6.3	Prepaid expenses	109.7	126.5
6.3	**12.2**	**Total prepayments and accrued income**	**136.8**	**160.5**

Note 20 Cash at bank and in hand

Cash at bank and in hand comprise cash in hand and short-term bank deposits.

Sund & Bælt Holding A/S			Sund & Bælt Group	
2018	2019		2019	2018
31.0	17.7	Cash at bank and in hand	517.9	875.7
31.0	**17.7**	**Total cash at bank and in hand**	**517.9**	**875.7**

Note 21 Equity

Sund & Bælt Holding A/S's share capital comprises 3,550,000 shares with a nominal value of DKK 100.

The entire share capital is owned by the Danish State. The share capital has remained unchanged since 1992.

In 2019, Sund & Bælt Holding A/S paid a dividend of DKK 397 per share at a nominal value of DKK 100 (DKK 409 in 2018).

Financial management
The Board of Directors regularly evaluates the need to adjust the capital structure, including the need for cash funds, credit facilities and equity.

The Group expects negative equity for some years to come. For further details, please refer to Economy in the Management Report.

Without special notification of each individual case, the Danish State underwrites A/S Storebælt's, A/S Øresund's, A/S Femern Landanlæg's and Femern A/S' other financial liabilities. Øresundsbro Konsortiet I/S' debt is underwritten jointly and severally by the Danish and Swedish states.

Note 22 Net debt

Sund & Bælt Group

2019 Fair value hierarchy	Level 1	Level 2	Level 3	2018 Fair value hierarchy	Level 1	Level 2	Level 3
Bonds	11,292.2	499.5	0.0	Bonds	1,814.2	0.0	0.0
Cash at bank and in hand	0.0	0.0	0.0	Cash at bank and in hand	0.0	0.0	0.0
Derivatives, assets	0.0	2,340.9	0.0	Derivatives, assets	0.0	2,736.8	0.0
Financial assets	**11,292.2**	**2,840.4**	**0.0**	**Financial assets**	**1,814.2**	**2,736.8**	**0.0**
Bond loans and debt	-48,816.5	-2,953.0	0.0	Bond loans and debt	-33,793.4	-3,839.5	0.0
Derivatives, liabilities	0.0	-4,331.5	0.0	Derivatives, liabilities	0.0	-3,351.7	0.0
Financial liabilities	**-48,816.5**	**-7,284.5**	**0.0**	**Financial liabilities**	**-33,793.4**	**-7,191.2**	**0.0**

Sund & Bælt Group
2019

Net debt spread across currencies	EUR	DKK	Other currencies	Net debt
Cash at bank and in hand	-131.2	605.8	13.1	487.7
Investments	8,160.5	3,738.5	0.0	11,899.0
Bond loans and amounts owed to credit institutions	-1,125.4	-49,737.6	-1,572.5	-52,435.5
Currency and interest rate swaps	-6,042.2	2,477.9	1,573.8	-1,990.5
Currency futures	-448.3	448.2	0.0	-0.1
Currency options	0.0	0.0	0.0	0.0
Accrued interest	-115.0	415.9	0.0	300.9
Total (notes 17, 18, 20, 25)	**298.4**	**-42,051.3**	**14.4**	**-41,738.5**

Other currencies comprise	AUD	GBP	JPY	NOK	SEK	USD	Total
Cash at bank and in hand	0.0	0.7	0.0	6.5	6.0	-0.1	13.1
Bond loans and amounts owed to credit institutions	0.0	0.0	-962.0	0.0	-566.2	-44.3	-1,572.5
Currency and interest rate swaps	0.0	0.0	962.9	0.0	566.5	44.4	1,573.8
Currency futures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency options	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	**0.0**	**0.7**	**0.9**	**6.5**	**6.3**	**0.0**	**14.4**

The above items are included in the following accounting items

	Derivatives assets	Derivatives liabilities	Total
Interest rate swaps	1,670.8	-4,237.8	-2,567.0
Currency swaps	670.1	-93.6	576.5
Currency options	0.0	-0.1	-0.1
Forward contracts	0.0	0.0	0.0
Total (note 18)	**2,340.9**	**-4,331.5**	**-1,990.6**

Accrued interest	Receiv-ables	Other payables	Total
Investments	29.9	-2.9	27.0
Debt	10.6	-102.4	-91.8
Interest rate swaps	630.6	-300.0	330.6
Currency swaps	33.8	0.0	33.8
Total (notes 17, 25)	**704.9**	**-405.3**	**299.6**

Sund & Bælt Group
2018

Net debt spread across currencies	EUR	DKK	Other currencies	Net debt
Cash at bank and in hand	1,985.5	2,093.8	9.4	4,088.7
Investments	1,463.1	430.3	0.0	1,893.4
Bond loans and amounts owed to credit institutions	-1,892.4	-40,814.9	-1,667.5	-44,374.8
Currency and interest rate swaps	-2,146.3	2,354.9	0.0	208.6
Currency futures	-1,008.3	1,007.2	0.0	-1.1
Currency options	-3,743.1	1,250.8	1,670.0	-822.3
Accrued interest	-184.4	359.8	0.0	175.4
Total (notes 17, 18, 20, 25)	**-5,525.9**	**-33,318.1**	**11.9**	**-38,832.1**

Other currencies comprise	AUD	GBP	JPY	NOK	SEK	USD	Total
Cash at bank and in hand	0.0	-0.6	1.7	1.9	7.1	-0.7	9.4
Bond loans and amounts owed to credit institutions	-6.1	0.0	-987.1	0.0	-603.0	-71.3	-1,667.5
Currency and interest rate swaps	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency futures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency options	6.1	0.0	988.7	0.0	603.8	71.4	1,670.0
Accrued interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	**0.0**	**-0.6**	**3.3**	**1.9**	**7.9**	**-0.6**	**11.9**

The above items are included in the following accounting items

	Derivatives assets	Derivatives liabilities	Total
Interest rate swaps	1,942.1	-3,267.9	-1,325.8
Currency swaps	792.8	-82.7	710.1
Currency options	0.0	0.0	0.0
Forward contracts	1.9	-1.1	0.8
Total (note 18)	**2,736.8**	**-3,351.7**	**-614.9**

Accrued interest	Receiv-ables	Other payables	Total
Investments	11.9	-3.2	8.7
Debt	0.1	-149.9	-149.8
Interest rate swaps	538.7	-260.7	278.0
Currency swaps	23.7	14.8	38.5
Total (notes 17, 25)	**574.4**	**-399.0**	**175.4**

Reconciliation of differences in financial liabilities	Current debt	Long-term debt	Derivatives assets	Derivatives liabilities	Total
Beginning 2019	-5,876.9	-38,162.8	2,736.6	-3,351.5	-44,654.6
Cash flow	5,917.0	-12,387.3	-441.2	374.9	-6,536.6
Paid interest - reversed	-166.8	-587.8	602.1	-377.5	-530.0
Amortisation	24.3	328.5	-171.5	10.4	191.7
Inflation indexation	4.8	-29.5	8.2	-35.2	-51.7
Currency adjustment	0.6	-33.7	0.0	23.9	-9.2
Fair value adjustment	90.9	-890.7	-1,463.2	93.4	-2,169.6
Transfer beginning/end of the year	-4,989.0	4,989.0	1,069.8	-1,069.8	0.0
End 2019	**-4,995.1**	**-46,774.3**	**2,340.8**	**-4,331.4**	**-53,760.0**

The difference between the cash flow in the reconciliation and the cash flow statement is primarily due to dividend, guarantee commission and EU subsidy etc.

Reconciliation of differences in financial liabilities	Current debt	Long-term debt	Derivatives assets	Derivatives liabilities	Total
Beginning 2018	-6,838.7	-31,789.6	3,027.7	-4,410.2	-40,010.8
Cash flow	6,827.1	-11,460.4	-293.3	903.0	-4,023.6
Paid interest - reversed	-87.1	-733.0	533.6	-353.1	-639.6
Amortisation	12.8	306.4	-152.1	12.6	179.7
Inflation indexation	0.0	-60.4	22.1	-51.1	-89.4
Currency adjustment	-45.6	-48.6	-6.1	78.1	-22.2
Fair value adjustment	36.0	-157.9	-476.1	549.2	-48.8
Transfer beginning/end of the year	-5,782.0	5,782.0	80.5	-80.5	0.0
End 2018	**-5,877.5**	**-38,161.5**	**2,736.3**	**-3,352.0**	**-44,654.7**

The difference between the cash flow in the reconciliation and the cash flow statement is primarily due to dividend, guarantee commission and EU subsidy etc.

Note 23 Financial risk management

Financing

The companies' financial management is conducted within the framework determined by the companies' Boards of Directors and guidelines from the guarantor, the Danish Ministry of Finance/Danmarks Nationalbank.

The Board of Directors determines an overall financial policy and an annual financing strategy, which regulates borrowing and liquidity reserves for specific years and sets the framework for the companies' credit, foreign exchange, inflation and interest rate exposure. Financial risk management is also supported by operational procedures.

The overall objective is to achieve the lowest possible financing expenses for the infrastructure facilities over their useful lives with due regard for an acceptable risk level as acknowledged by the Board of Directors. A long-term perspective has been applied in the balancing of economic performance and the risks associated with financial management.

The following describes the companies' funding in 2019 as well as the key financial risks.

Funding

All loans and other financial instruments employed by the companies are underwritten by the Danish State. In general, this means that the companies can achieve capital market terms equivalent to those available to the State, even if the companies do not have an explicit rating from the international credit rating agencies.

The adopted financial strategy seeks to maximise funding flexibility in order to take advantage of developments in the capital markets. However, all loan types must adhere to certain criteria partly because of the demands from the guarantor and partly because of internal guidelines set out in the companies' financial policy. In general, the companies' loan transactions should consist of common and standardised loan structures that, as far as possible, limit the credit risk. The loan transactions do not contain any special terms that require disclosure with reference to IFRS 7.

In certain cases, lending itself can profitably occur in currencies in which the companies cannot expose themselves to currency risks (see below). In such cases, the loans are translated through currency swaps into acceptable currencies. Thus, there is no direct link between the original loan currencies and the companies' currency risk.

A/S Storebælt has established a standardised MTN (Medium Term Note) loan programme in the European bond market with a maximum borrowing limit of USD 5 billion of which USD 0.2 billion has been utilised. Thus, an available credit limit of USD 4.8 billion remains. In addition, the company has a Swedish MTN programme of SEK 5 billion of which SEK 0.6 billion has been utilised. Thus, an available credit line of SEK 4.4 billion remains.

A/S Øresund has also established a standardised MTN (Medium Term Note) loan programme in the European bond market with a maximum borrowing limit of USD 1 billion of which USD 37 million has been utilised. Thus, an available credit line of USD 963 million remains.

Since 2002, the companies have had access to on-lending, which is a direct loan from Danmarks Nationalbank on behalf of the State to the companies based on a specific government bond, and subject to the same conditions under which the bond is traded in the market.

In 2019, funding requirements were mainly covered by on-lending from Danmarks Nationalbank, which was a particularly attractive source of funding.

A/S Storebælt raised on-lending to a nominal value of DKK 3.2 billion.

A/S Øresund raised on-lending to a nominal value of DKK 1.4 billion.

A/S Femern Landanlæg raised on-lending to a nominal value of DKK 2.1 billion. In addition, A/S Femern Landanlæg raised an unguaranteed loan of DKK 0.9 billion from EIB, which was a condition for obtaining CEF support.

Femern A/S raised financing for the coming year and at the beginning of 2019, there was outstanding on-lending for DKK 11,750 million of which DKK 5,500 million was recognised as an advanced loan, which was paid out in 2019.

The extent of A/S Storebælt's funding in any individual year is largely decided by the size of the repayments on the existing debt (refinancing) and the impact from operations. In 2020, such refinancing will amount to approx. DKK 2.2 billion, and the expected net borrowing requirements will be around DKK 1.7 billion. This is beyond what is needed for the financing of any extraordinary repurchase of existing loans and the debt issued to cover collateral demands.

The extent of A/S Øresund's funding in any individual year is largely decided by the size of the repayments on the existing debt (refinancing) and the impact from operations. In 2020, such refinancing will amount to approx. DKK 1.1 billion and the expected net borrowing requirements will be around DKK 1.5 billion. This is beyond what is needed for the financing of any extraordinary repurchase of existing loans and the debt issued to cover collateral demands.

The extent of A/S Femern Landanlæg's funding in any individual year is largely decided by the size of the repayments on the existing debt (refinancing) and the impact from operations. In 2020, such refinancing will amount to approx. DKK 1.5 billion and the expected net borrowing requirements will be around DKK 2.5 billion. This is beyond what is needed for the financing of any extraordinary repurchase of existing loans and the debt issued to cover collateral demands.

The extent of Femern A/S's funding in any individual year is largely decided by the size of the repayments on the existing debt (refinancing) and the impact from operations. In 2020, cash outflow is expected to be covered by the advance loan which has been obtained.

The companies have the flexibility to maintain a liquidity reserve of up to 6 months' liquidity consumption with the objective of reducing the risk of borrowing at times when the general loan terms in the capital markets are temporarily unattractive.

Financial risk exposure

The companies are exposed to financial risks inherent in the funding of the infrastructures and linked to financial management as well as operational decisions, including bond issuance and loans from credit institutions, the use of derivatives and deposit of liquid funds for liquidity reserves, receivables from customers and trade payables.

Risks relating to these financial risk exposures primarily comprise:

- Currency risks
- Interest rate risks
- Inflation risks
- Credit risks
- Liquidity risks

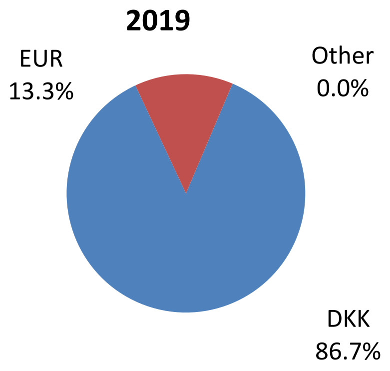
Financial risks are identified, monitored and controlled within the framework approved by the Board of Directors as determined in the companies' financial policy and strategy, operational procedures and in accordance with the guidelines from the Danish Ministry of Finance/Danmarks Nationalbank, which has issued guarantees for the companies' liabilities.

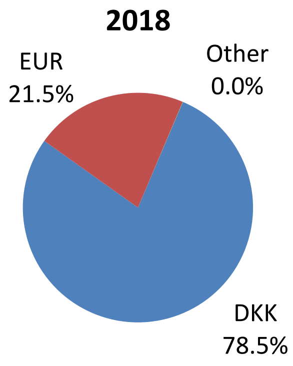
Currency risks

The companies' exposure to currency risks primarily relates to the part of the net debt denominated in currencies other than the base currency (DKK). Financial derivatives and liquid funds are included in the disclosure of the currency risk measured at fair value.

A/S Storebælt's currency exposure at fair value 2019 and 2018

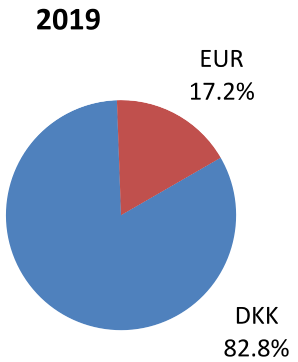
Currency	Fair value 2019	Currency	Fair value 2018
DKK	-17,867	DKK	-16,713
EUR	-2,752	EUR	-4,579
Other	1	Other	4
Total 2019	**-20,618**	**Total 2018**	**-21,288**

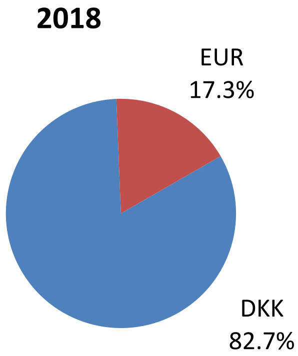




A/S Øresund's currency exposure at fair value 2019 and 2018

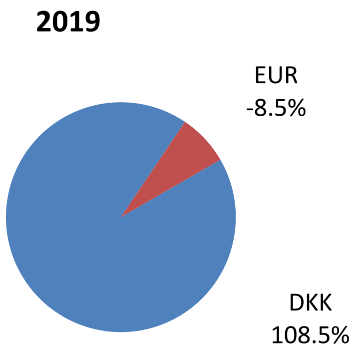
Currency	Fair value 2019	Currency	Fair value 2018
DKK	-10,495	DKK	-10,153
EUR	-2,186	EUR	-2,125
Total 2019	**-12,681**	**Total 2018**	**-12,278**

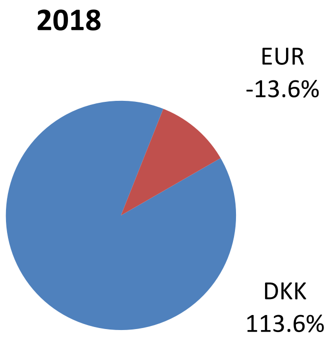




A/S Femern Landanlæg's currency exposure at fair value 2019 and 2018

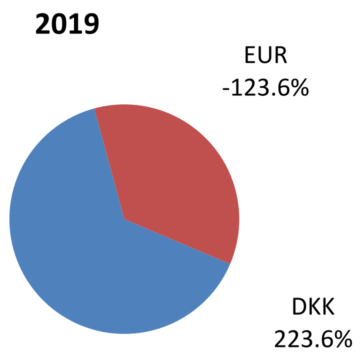
Currency	Fair value 2019	Currency	Fair value 2018
DKK	-4,438	DKK	-2,478
EUR	347	EUR	296
Total 2019	**-4,091**	**Total 2018**	**-2,182**

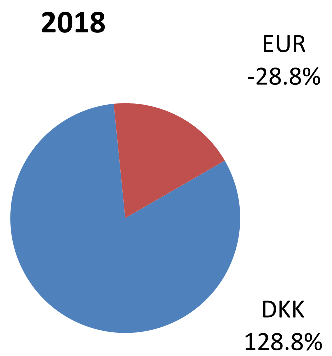




Femern A/S' currency exposure at fair value 2019 and 2018

Currency	Fair value 2019	Currency	Fair value 2018
DKK	-8,816	DKK	-3,861
EUR	4,874	EUR	863
Other	0	Other	0
Total 2019	**-3,942**	**Total 2018**	**-2,998**





The Danish Ministry of Finance has stipulated that the companies may have currency exposures to DKK and EUR. The companies' currency risks are managed within the limits of the composition of the currency allocation and can be distributed with no constraint between DKK and EUR.

Based on the stable Danish fixed exchange rate policy and the relatively narrow fluctuation band vis-a-vis EUR +/- 2.25 per cent in the ERM2 agreement, exposure to EUR is not considered to represent any substantial risk. The currency distribution between DKK and EUR will, over the coming years, depend on the exchange rate and interest rate relationship between the two currencies.

The proportion of other currencies comprises JPY, SEK and USD and are attributed to the hedging of bond loans in these currencies where premium/discounts in the currency swap result in an exposure based on market-to-market values although the cash flows are completely hedged.

Foreign exchange sensitivity for A/S Storebælt amounted to DKK 11 million in 2019 (DKK 21 million in 2018) calculated as Value-at-Risk.

Foreign exchange sensitivity for A/S Øresund amounted to DKK 9 million in 2019 (DKK 10 million in 2018) calculated as Value-at-Risk.

Foreign exchange sensitivity for A/S Femern Landanlæg amounted to DKK 1 million in 2019 (DKK 1 million in 2018) calculated as Value-at-Risk.

Foreign exchange sensitivity for Femern A/S amounted to DKK 19 million in 2019 (DKK 4 million in 2018) calculated as Value-at-Risk.

Value-at-Risk for foreign exchange risk sensitivity expresses the maximum loss as a result of an unfavourable development in the exchange rate within a one-year horizon, with a 95 per cent probability. Value-at-Risk has been calculated based on historical volatility and correlations for a one-year period in the currencies with exposure.

Interest rate and inflation risks

The companies' financing expenses are exposed to interest rate risks because of the ongoing funding for the refinancing of debts maturing, refixing of interest rates on floating rate debt and deposit of liquidity from operations and investments. The uncertainty arises as a consequence of fluctuations in market interest rates.

The companies' interest rate risk is managed within several lines and limits, and the combination of these limits the interest rate risk on the net debt.

For A/S Storebælt, the following framework for 2019 was applied in the interest rate risk management:

- Interest rate refixing risk may not exceed 40 per cent of the net debt
- Duration target on net debt is 4.0 years (variation limit: 3.25-4.75 years)
- Limits for interest rate exposure with fluctuation bands.

For A/S Øresund, the following framework for 2019 was applied in the interest rate risk management:

- Interest rate refixing risk may not exceed 40 per cent of the net debt
- Duration target on net debt is 9.0 years (variation limit: 8.0-10.0 years)
- Limits for interest rate exposure with fluctuation bands.

The companies' interest rate risk is actively managed through the use of interest rate and currency swaps and other derivative instruments.

Floating rate debt or debt with a short remaining maturity imply that the loan must have the interest rate reset at market interest rates within a given time frame, which typically involves higher risks than fixed rate debts with long maturity when fluctuations in the current interest expenses form the basis of the risk management.

By contrast, financing expenses are usually a rising function of the maturity, and the choice of debt allocation is thus a question of balancing financing expenses and risk tolerance.

The debt allocation between fixed and floating rate nominal debt and real rate debt in conjunction with the maturity profile (maturity on the fixed rate debt) and the currency distribution comprise the uncertainty on the financing expenses.

Besides representing an isolated balancing of financing expenses and interest refixing risk on the net debt, the companies' risk profile is also affected by linkages to the operations. This means that a balancing of risk is targeted across assets and liabilities with the aim of achieving a lower risk by combining the debt mix so that there is a positive correlation between operating revenue and financing expenses. This relationship was evident in the downturn that followed the financial crisis, when a sluggish trend in traffic revenues was offset by lower financing expenses.

Typically, floating rate debt and real rate debt have a positive correlation with general economic growth because monetary policy will often seek to balance the economic cycle by hiking interest rates when economic growth and inflation are high – and vice versa.

The economic relationship between operating revenue and financing expenses justifies some proportion of floating rate debt. Developments in road traffic revenue, which is the primary income source, are particularly dependent on economic conditions and low economic growth typically entails low traffic growth, and thus a less favourable development in revenue. This revenue risk can, to a certain extent, be offset by a high proportion of floating rate debt in that adverse economic trends normally lead to lower interest rates, notably at the short end of the maturity spectrum.

Furthermore, there is an isolated balance of financing expenses and interest rate refixing risk on the nominal debt.

The companies have a strategic interest in real rate debt where the financing expenses comprise a fixed real rate plus indexation dependent upon general inflation. The reason is that operating income, by and large, can be expected to follow inflation developments as both road tolls and rail revenue are normally indexed. Real rate debt, therefore, represents a very low risk and functions as a hedge of operating revenue and the companies' long-term project risk.

Based on the overall financial management objective - to attain the lowest possible financing expenses within a risk level approved by the Board of Directors – the companies have established a strategic benchmark for the debt portfolio's interest rate allocation and the nominal duration.

This benchmark serves as an overall guideline and a financial framework for the debt management and implies that the companies target a real rate debt allocation of 25-45 per cent and for 2019, the duration on the nominal debt was set at 4.0 years for A/S Storebælt and 9.0 years for A/S Øresund. The calculation of the duration will be calculated without the effect of discounting.

Maximum variation limits for the interest rate allocation and duration target are established.

The basis for determining the strategic benchmark in the debt management is economic model simulations that estimate the outcome and expected earnings development of the companies' assets and liabilities on a large number of relevant portfolio combinations with different interest rate allocations and maturity profiles and consists of a balancing of financing expenses with revenue risk.

Besides the above-mentioned strategic elements, the interest rate risk is also managed on the basis of the expectations for short-term interest rate developments and an isolated balancing of financing expenses and interest rate refixing risk on the nominal debt.

For A/S Storebælt, the target for the duration on the nominal debt was 4.0 years for 2019 and the actual duration was between 3.6 years to 4.2 years and was predominantly underweighted in relation to the benchmark, which primarily coincided with the period following dividend distribution when the net debt was relatively higher. The duration of the strategic benchmark for 2020 is maintained at 4.0 years for A/S Storebælt and the target for the real rate debt ratio is unchanged.

For A/S Øresund, the target for the duration on the nominal debt was 9.0 years in 2019 and the actual duration was between 8.5 years and 9.6 years and the duration was actively extended in September. For A/S Øresund, the duration on the strategic benchmark for 2020 is maintained at 9.0 years and the target for the real rate debt ratio is unchanged.

Long-term interest rates plunged in 2019, particularly up until August after which they flattened out and began to rise again.

A/S Storebælt is exposed to interest rates in DKK and EUR, and here interest rates on the long-term maturities fell by 0.6-0.7 percentage points overall over the year. Interest rate developments in 2019 produced an unrealised fair value loss of DKK 260 million from fair value adjustments.

A/S Øresund is exposed to interest rates in DKK and EUR, and here interest rates on the long-term maturities fell by 0.6-0.7 percentage points overall over the year. Interest rate developments in 2019 produced an unrealised fair value loss of DKK 469 million from fair value adjustments.

A/S Femern Landanlæg is exposed to interest rates in DKK and EUR, and here interest rates on the long-term maturities fell by 0.6-0.7 percentage points. Interest rate developments in 2019 produced an unrealised fair value loss of DKK 1,034 million from fair value adjustments.

Femern A/S is exposed to interest rates in DKK and EUR, and here interest rates on the long-term maturities fell by 0.6-0.7 percentage points overall over the year. Interest rate developments in 2019 produced an unrealised fair value loss of DKK 408 million from fair value adjustments.

The management of the interest rate risk aims at attaining the lowest possible longer-term financing expenses with no specific regard for the annual fluctuations in the fair value adjustment. The fair value adjustment has, however, no impact on the companies' economy, including the repayment period.

The yield exposure on the net debt is based on the nominal value (the notional) split in time buckets at the earliest of the time to maturity or the time to the next interest rate refixing. Thus, the floating rate debt is included in the next financial year and shows the cash flow exposure to the interest refixing risk.

The companies use derivatives to adjust the allocation between floating and fixed rate nominal debt and real rate debt, including, primarily, interest rate and currency swaps, FRAs and interest rate guarantees.

Yield exposure disclosed in nominal notional amounts 2019, A/S Storebælt

Yield buckets	**0-1 years**	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**> 5 years**	**Nominal value**	**Fair value**
Investments	560	374	0	0	0	0	934	942
Bond loans and other loans	-2,270	-2,286	-1,000	-3,292	0	-10,195	-19,043	-20,672
Interest rate and currency swaps	-4,046	991	747	2,800	-1,253	278	-483	-858
Forward exchange contracts	0	0	0	0	0	0	0	0
Other derivatives	0	0	0	0	0	0	0	0
Cash at bank	-30	0	0	0	0	0	-30	-30
Net debt	**-5,786**	**-921**	**-253**	**-492**	**-1,253**	**-9,917**	**-18,622**	**-20,618**
Of this, real rate instruments:								
Real rate debt	0	0	0	-1,595	0	-2,022	-3,617	-4,143
Real rate swaps	0	0	0	0	0	-2,787	-2,787	-3,352
Real rate instruments total	**0**	**0**	**0**	**-1,595**	**0**	**-4,809**	**-6,404**	**-7,495**

Yield exposure > 5 years is allocated as follows (DKK million)

Yield buckets	**5-10 years**	**10-15 years**	**15-20 years**	**> 20 years**
Net debt	-6,400	-3,517	0	0
Of which real rate instruments	-2,787	-2,022	0	0

Yield exposure disclosed in nominal notional amounts 2018, A/S Storebælt

Yield buckets	0-1 years	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Nominal value	Fair value
Investments	1,209	0	0	0	0	0	1,209	1,213
Bond loans and other loans	-4,602	-2,242	-2,267	0	-3,289	-8,091	-20,491	-22,031
Interest rate and currency swaps	-3,204	749	972	747	2,800	-2,569	-505	-739
Forward exchange contracts	0	0	0	0	0	0	0	2
Other derivatives	0	0	0	0	0	0	0	0
Cash at bank	265	0	0	0	0	0	265	265
Net debt	**-6,332**	**-1,493**	**-1,295**	**747**	**-489**	**-10,660**	**-19,522**	**-21,290**
Of this, real rate instruments:								
Real rate debt	0	-539	0	0	-1,592	-2,019	-4,150	-4,587
Real rate swaps	0	539	0	0	0	-2,780	-2,241	-2,702
Real rate instruments total	**0**	**0**	**0**	**0**	**-1,592**	**-4,799**	**-6,391**	**-7,289**

Yield exposure > 5 years is allocated as follows (DKK million)

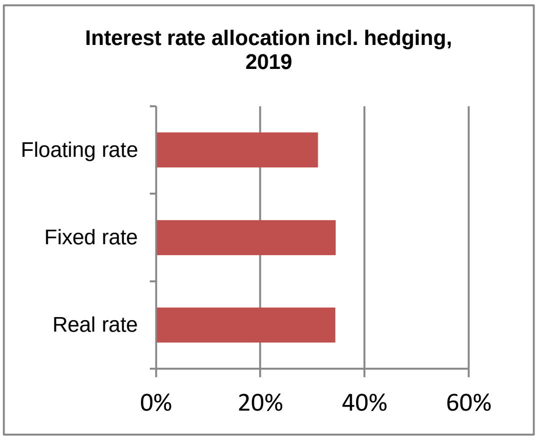
Yield buckets	5-10 years	10-15 years	15-20 years	> 20 years
Net debt	-6,050	-4,610	0	0
Of which real rate instruments	-2,430	-2,369	0	0

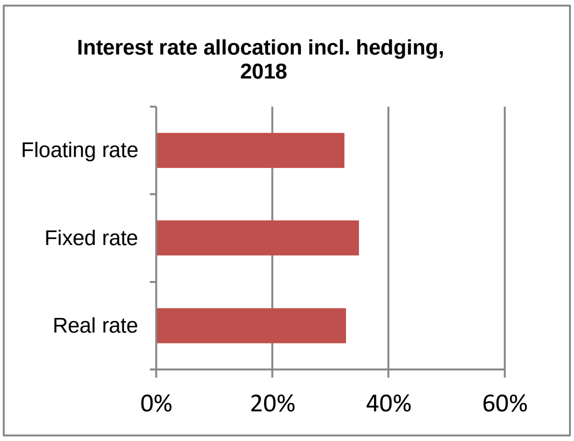
The fixed-rate nominal debt beyond five years is primarily exposed to yield exposure in the 10-year yield segment.

Interest rate allocation, A/S Storebælt

Interest rate allocation

2019	Interest rate allocation in per cent	2018
31.1	Floating rate	32.4
34.5	Fixed rate	34.9
34.4	Real rate	32.7
100.0	**Total**	**100.0**





The yield exposure is distributed with an allocation of 103.8 per cent to interest rates in DKK and -3.8 per cent in EUR. As regards real rate debt, this is exposed to the Danish Consumer Price Index (CPI).

The financing expenses' sensitivity to an interest or inflation rate change of 1 percentage point can be estimated at DKK 70 million and DKK 60 million respectively and the impact will be symmetrical with a rise or fall.

Yield exposure disclosed in nominal notional amounts 2019, A/S Øresund

Yield buckets	0-1 years	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Nominal value	Fair value
Investments	0	859	0	0	0	0	859	866
Bond loans and other loans	-1,374	-650	-700	-1,700	-2,062	-4,460	-10,946	-13,571
Interest rate and currency swaps	-1,155	0	-373	1,700	740	-1,127	-215	-110
Forward exchange contracts	0	0	0	0	0	0	0	0
Other derivatives	0	0	0	0	0	0	0	0
Credit instutions	134	0	0	0	0	0	134	134
Net debt	**-2,395**	**209**	**-1,073**	**0**	**-1,322**	**-5,587**	**-10,168**	**-12,681**
Of this, real rate instruments:								
Real rate debt	0	0	0	0	0	0	0	0
Real rate swaps	0	0	0	0	-1,419	-3,150	-4,569	-5,687
Real rate instruments total	**0**	**0**	**0**	**0**	**-1,419**	**-3,150**	**-4,569**	**-5,687**

Yield exposure > 5 years is allocated as follows (DKK million):

Yield buckets	5-10 years	10-15 years	15-20 years	> 20 years
Net debt	-149	-903	-4,162	-373
Of which real rate instruments	-857	-1,081	-1,212	0

Yield exposure disclosed in nominal notional amounts 2018, A/S Øresund

Yield buckets	0-1 years	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Nominal value	Fair value
Investments	597	0	0	0	0	0	597	600
Bond loans and other loans	-1,124	-1,150	-650	0	-1,700	-5,922	-10,546	-13,034
Interest rate and currency swaps	-2,295	1,150	0	-373	1,700	-381	-199	180
Forward exchange contracts	0	0	0	0	0	0	0	0
Other derivatives	0	0	0	0	0	0	0	0
Credit institutions	-24	0	0	0	0	0	-24	-24
Net debt	**-2,846**	**0**	**-650**	**-373**	**0**	**-6,303**	**-10,172**	**-12,278**
Of this, real rate instruments:								
Real rate debt	0	0	0	0	0	0	0	0
Real rate swaps	0	0	0	0	0	-4,563	-4,563	-5,387
Real rate instruments total	**0**	**0**	**0**	**0**	**0**	**-4,563**	**-4,563**	**-5,387**

Yield exposure > 5 years is allocated as follows (DKK million):

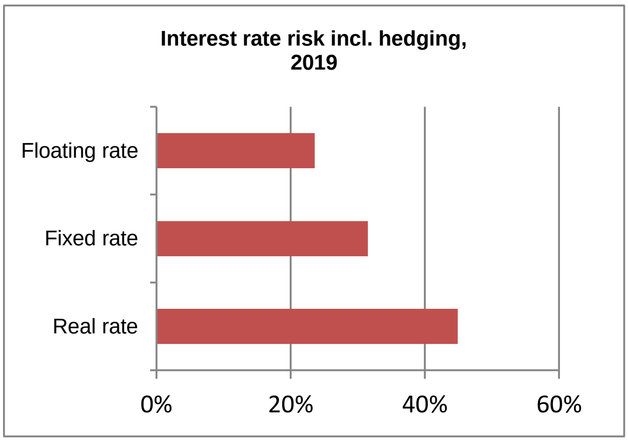
Yield buckets	5-10 years	10-15 years	15-20 years	> 20 years
Net debt	-762	-635	-2,917	-1,989
Of which real rate instruments	-1,419	-1,934	-693	-517

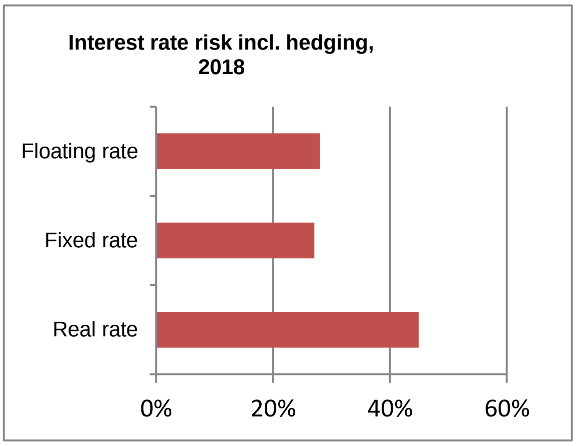
The fixed-rate nominal debt beyond five years is primarily exposed to yield exposure in the 15 to 25-year yield segment.

Interest rate allocation, A/S Øresund

Interest rate allocation

2019	Interest rate allocation in per cent	2018
23.6	Floating rate	28.0
31.5	Fixed rate	27.1
44.9	Real rate	44.9
100.0	**Total**	**100.0**





The yield exposure is distributed with an allocation of 113.7 per cent to interest rates in DKK and -13.7 per cent in EUR. As regards real rate debt, this is exposed to the Danish Consumer Price Index (CPI).

The financing expenses' sensitivity to an interest rate or inflation rate change of 1 percentage point can be estimated at DKK 30 million for a symmetrical interest rate change and for inflation, a rise will increase financing expenses by DKK 46 million. A fall in inflation will result in savings of DKK 43 million. There is no optionality in the hedging of the variable interest rate while for inflation, there is a sold "floor" on the inflation indexation (notional EUR 190 million).

Yield exposure disclosed in nominal notional amounts, A/S Femern Landanlæg 2019

Yield buckets	0-1 years	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Nominal value	Fair value
Investments	0	1,531	0	0	0	0	1,531	1,549
Bond loans and other loans	-2,396	-250	0	0	0	-2,150	-4,796	-5,000
Interest rate and currency swaps	1,018	0	1,000	998	0	-3,038	-22	-658
Forward exchange contracts	0	0	0	0	0	0	0	0
Other derivatives	0	0	0	0	0	0	0	0
Cash at bank	18	0	0	0	0	0	18	18
Net debt	**-1,360**	**1,281**	**1,000**	**998**	**0**	**-5,188**	**-3,269**	**-4,091**
Of this, real rate instruments:								
Real rate debt	0	0	0	0	0	0	0	0
Real rate swaps	0	0	543	536	0	-2,455	-1,376	-2,430
Real rate instruments total	**0**	**0**	**543**	**536**	**0**	**-2,455**	**-1,376**	**-2,430**

Yield exposure > 5 years is allocated as follows (DKK million):

Yield buckets	5-10 years	10-15 years	15-20 years	> 20 years
Net debt	798	0	0	-5,986
Of which real rate instruments	465	0	0	-2,920

Yield exposure disclosed in nominal notional amounts, A/S Femern Landanlæg 2018

Yield buckets	0-1 years	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Nominal value	Fair value
Investments	0	0	0	0	0	0	0	0
Bond loans and other loans	-200	-1,500	-250	0	0	-650	-2,600	-2,712
Interest rate and currency swaps	1,331	997	0	997	995	-4,326	-6	258
Forward exchange contracts	0	0	0	0	0	0	0	0
Other derivatives	0	0	0	0	0	0	0	0
Cash at bank	271	0	0	0	0	0	271	271
Net debt	**1,402**	**-503**	**-250**	**997**	**995**	**-4,976**	**-2,335**	**-2,183**
Of this, real rate instruments:								
Real rate debt	0	0	0	0	0	0	0	0
Real rate swaps	0	573	0	540	534	-2,444	-797	-1,242
Real rate instruments total	**0**	**573**	**0**	**540**	**534**	**-2,444**	**-797**	**-1,242**

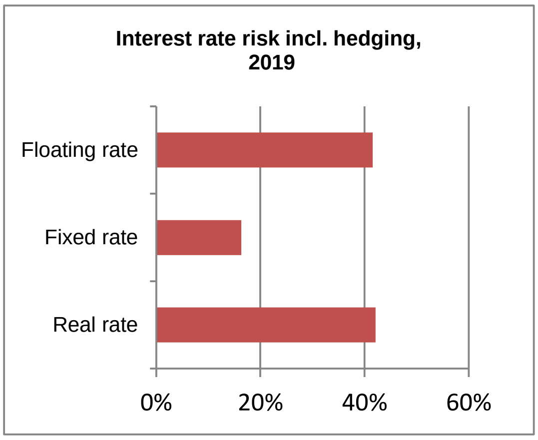
Yield exposure > 5 years is allocated as follows (DKK million):

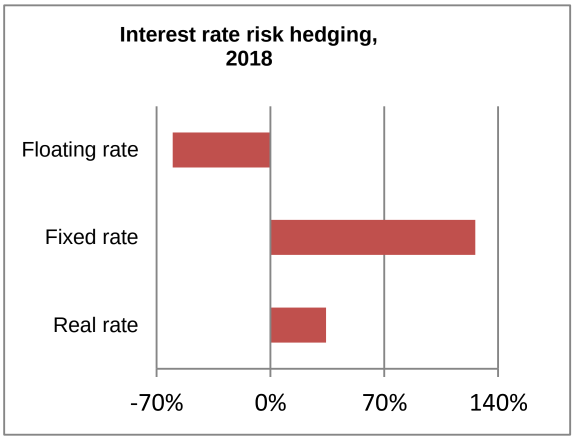
Yield buckets	5-10 years	10-15 years	15-20 years	> 20 years
Net debt	995	0	0	-5,971
Of which real rate instruments	463	0	0	-2,907

The yield exposure is primarily exposed to long-term maturities of 25-35 years and interest rate hedging has been established with a view to hedging the projected debt accumulation during the construction period and repayment during the operating period.

Interest rate allocation, A/S Femern Landanlæg

2019	Interest rate allocation in per cent	2018
41.6	Floating rate	-60.1
16.3	Fixed rate	126.0
42.1	Real rate	34.1
100.0	**Total**	**100.0**





A/S Femern Landanlæg has established interest rate hedging for a notional amount of DKK 6 billion with maturities of 25-35 years with a forward start adapted to the expected debt trend, including debt accumulation during the construction period and repayment during the construction period. Half of the yield exposure is exposed to the real interest rate and is inflation-indexed while the other half is nominal yield exposure

The yield exposure is distributed with an allocation of 121.2 per cent to interest rates in DKK and -21.2 per cent in EUR. As regards the real rate debt, this is exposed to the Danish Consumer Price Index (CPI). The real interest rate on the inflation indexed exposure is around zero percent when the nominal yield exposure is around 1 per cent.

The financing expenses' sensitivity to an interest or inflation rate change of 1 percentage points can be estimated at DKK 16 million and DKK 11 million respectively and the impact will be symmetrical with a rise or fall.

Yield exposure disclosed in nominal notional amounts, Femern A/S 2019

Yield buckets	0-1 years	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Nominal value	Fair value
Investments	5,511	2,870	0	0	0	0	8,381	8,461
Bond loans and other loans	0	0	0	-1,850	0	-9,900	-11,750	-12,617
Interest rate and currency swaps	0	0	0	0	0	0	0	0
Forward exchange contracts	0	0	0	0	0	0	0	0
Other derivatives	0	0	0	0	0	0	0	0
Cash at bank	214	0	0	0	0	0	214	214
Net debt	**5,725**	**2,870**	**0**	**-1,850**	**0**	**-9,900**	**-3,155**	**-3,942**
Of this, real rate instruments:								
Real rate debt	0	0	0	0	0	0	0	0
Real rate swaps	0	0	0	0	0	0	0	0
Real rate instruments total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Yield exposure > 5 years is allocated as follows (DKK million):

Yield buckets	5-10 years	10-15 years	15-20 years	> 20 years
Net debt	-9,900	0	0	0
Of which real rate instruments	0	0	0	0

Yield exposure disclosed in nominal notional amounts, Femern A/S 2018

Yield buckets	0-1 years	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Nominal value	Fair value
Investments	799	2,394	0	0	0	0	3,193	3,232
Bond loans and other loans	1,850	3,700	0	0	-1,850	-9,900	-6,200	-6,411
Interest rate and currency swaps	0	0	0	0	0	0	0	0
Forward exchange contracts	0	0	0	0	0	0	0	-1
Other derivatives	0	0	0	0	0	0	0	0
Cash at bank	182	0	0	0	0	0	182	182
Net debt	**2,831**	**6,094**	**0**	**0**	**-1,850**	**-9,900**	**-2,825**	**-2,998**
Of this, real rate instruments:								
Real rate debt	0	0	0	0	0	0	0	0
Real rate swaps	0	0	0	0	0	0	0	0
Real rate instruments total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

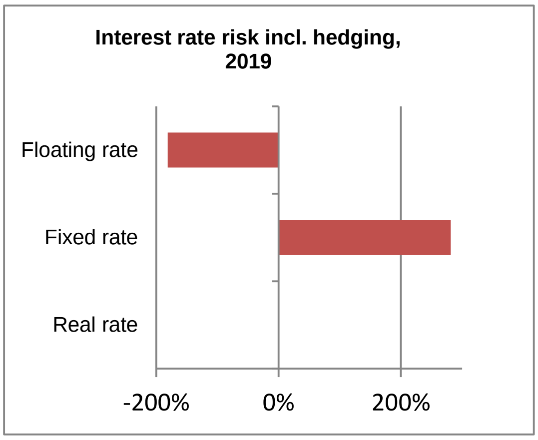
Yield exposure > 5 years is allocated as follows (DKK million):

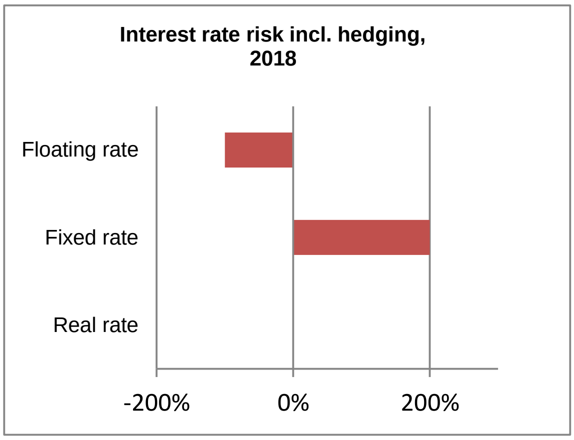
Yield buckets	5-10 years	10-15 years	15-20 years	> 20 years
Net debt	-9,900	0	0	0
Of which real rate instruments	0	0	0	0

The yield exposure is primarily exposed to maturities of 4-8 years.

Interest rate allocation, Femern A/S

2019	Interest rate allocation in per cent	2018
-181.5	Floating rate	-100.0
281.5	Fixed rate	200.0
0.0	Real rate	0.0
100.0	**Total**	**100.0**





Femern A/S has obtained financing for the coming years and the surplus proceeds have been deposited in secure government bonds, mortgage bonds and bank deposits.

The yield exposure is distributed with an allocation of 253.8 per cent to interest rates in DKK and -153.8 per cent in EUR.

Sensitivity to an interest rate change of 1 per cent will, in relation to the cash flows over the coming financial year, have an impact of around DKK 57 million, which is solely ascribed to the deposit of excess liquidity in securities with a short remaining maturity and the proceeds from the advance loan.

When market interest rates change, this affects the market value (fair value) of the net debt, and, in this respect, the impact and risk are greater on fixed rate debt with longer-term maturities. This is primarily owing to the discounting effect and reflect the alternative cost or gain relating to the fixed rate debt obligations in comparison to financing at current market interest rates.

The duration denotes the average remaining maturity on the net debt. A long duration implies a low interest rate refixing risk since a relatively small proportion of the net debt needs to be reset to the current interest rate.

The duration also expresses the interest rate sensitivity on the net debt stated at market value.

Duration, A/S Storebælt

2019 Duration (years)	BPV	Fair value		2018 Duration (years)	BVP	Fair value
4.2	5.6	-13,123	Nominal debt	3.9	5.4	-14,001
7.1	5.3	-7,495	Real interest debt	8.0	5.8	-7,289
5.3	10.9	-20,618	Net debt	4.4	11.2	-21,290

Basis point value (BPV) expresses the rate sensitivity to a parallel shift in the yield curve of 1 bp

A/S Storebælt's duration totalled 5.3 years at the end of 2019, of which 4.2 years relates to the nominal debt and 7.1 years to the real rate debt. Rate sensitivity can be calculated at DKK 10.9 million, when the yield curve is shifted in parallel by 1bp. This will imply a positive fair value adjustment in the income statement and balance sheet when interest rates rise by 1bp, and vice versa.

As regards A/S Storebælt, the fair value adjustment's sensitivity to an interest rate change of 1 percentage point can be calculated as a fair value loss of DKK 1,136 million (2018: 1.183 million) with an interest rate fall and a fair value gain of DKK 1,034 million (2018: 1,069 million) with an interest rate rise.

Duration, A/S Øresund

2019 Duration (years)	BPV	Fair value		2018 Duration (years)	BVP	Fair value
9.1	6.4	-6,994	Nominal debt	7.8	5.4	-7,260
10.7	6.1	-5,687	Real interest debt	11.4	6.1	-5,387
9.8	12.5	-12,681	Net debt	9.7	11.5	-12,647

Basis point value (BPV) expresses the rate sensitivity to a parallel shift in the yield curve of 1 bp

A/S Øresund's duration totalled 9.8 years at the end of 2019 of which 9.1 years relate to the nominal debt and 10.7 years to the real rate debt. Interest rate sensitivity can be calculated at DKK 12.5 million, when the yield curve is shifted in parallel by 1bp. This will imply a positive fair value adjustment in the income statement and balance sheet when interest rates rise by 1bp, and vice versa.

As regards A/S Øresund, the fair value adjustment's sensitivity to an interest rate change of 1 percentage point can be calculated as a fair value loss of DKK 1,383 million (2018: 1,296 million) with an interest rate fall and a fair value gain of DKK 1,188 million (2018: 1,095 million) with an interest rate rise.

Duration, A/S Femern Landanlæg (DKK million)

2019 Duration (years)	BPV	Fair value		2018 Duration (years)	BVP	Fair value
34.7	5.8	-1,661	Nominal debt	50.1	4.7	-940
53.8	13.1	-2,430	Real interest debt	89.3	11.1	-1,242
46.0	18.9	-4,091	Net debt	72.4	15.8	-2,182

Basis point value (BPV) expresses the rate sensitivity to a parallel shift in the yield curve of 1 bp

A/S Femern Landanlæg's duration totalled 46.0 years at the end of 2019 of which 34.7 years relate to the nominal debt and 53.8 years to the real rate debt. Interest rate sensitivity can be calculated at DKK 18.9 million, when the yield curve is shifted in parallel by 1bp. This will imply a positive fair value adjustment in the income statement and balance sheet when interest rates rise by 1bp, and vice versa.

The stated durations are affected by a gearing effect in that the net debt is low compared to the established interest rate hedging, which is adapted to the projected debt accumulation.

As regards A/S Femern Landanlæg, the fair value adjustment's sensitivity to an interest rate change of 1 percentage point can be calculated as a fair value loss of DKK 2,216 million (2018: 1,876 million) with an interest rate fall and a fair value gain of DKK 1,565 million (2018: 1,305 million) with an interest rate rise.

Duration, Femern A/S (DKK million)

2019 Duration (years)	BPV	Fair value		2018 Duration (years)	BVP	Fair value
20.9	8.2	-3,942	Nominal debt	29.3	8.8	-2,998
0.0	0.0	0	Real interest debt	0.0	0.0	0
20.9	8.2	-3,942	Net debt	29.3	8.8	-2,998

Basis point value (BPV) expresses the rate sensitivity to a parallel shift in the yield curve of 1 bp

Femern A/S duration totalled 20.9 years at the end of 2019 and is exposed only to nominal instruments. The interest rate sensitivity can be calculated at DKK 8.2 million when the yield curve is shifted in parallel by 1 bp. This will imply a positive fair value adjustment in the income statement and balance sheet when interest rates rise by 1 bp, and vice versa.

As regards Femern A/S, the fair value adjustment's sensitivity to an interest rate change of 1 percentage point can be calculated as a fair value loss of DKK 863 million (2018: 924 million) with an interest rate fall and a fair value gain of DKK 788 million (2018: 835 million) with an interest rate rise.

The calculated sensitivity to interest rate changes on the fair value adjustment takes account of the convexity of the debt portfolio.

The sensitivity calculations have been made on the basis of the net debt on the balance sheet date and the impact is similar in result and balance sheet as a result of the accounting policies where financial assets and liabilities are recognised at fair value.

Credit risks
Credit risks are defined as the risk of losses arising as a result of a counterparty not meeting its payment obligations. Credit risks arise in connection with the deposit of excess liquidity, receivables from derivative transactions and trade receivables.

The credit policy for the deposit of excess liquidity has continuously been tightened with increased requirements for rating, credit limits and maximum duration.

The companies have, to the greatest possible extent, limited excess liquidity and have only had deposits in banks with high credit ratings or invested liquidity in German government bonds for pledging collateral. There have been no incidents of overdue payments as a result of credit events.

Companies' derivative transactions are regulated by an ISDA master agreement with each counterparty, and it is explicitly set out that netting of positive and negative balances will apply.

The credit risk on financial counterparties is managed and monitored on a daily basis through a specific line and limit system which has been approved by the Board of Directors in respect of the companies' financial policy and determines the principles for calculating these risks and limits for acceptable credit exposures. The allocation of limits for acceptable credit exposures is determined on the basis of the counterparty's long-term rating by either Standard and Poor's (S&P), Moody's Investor Service (Moody's) or Fitch Ratings.

The credit risk is limited to the greatest possible extent by diversifying the counterparty exposure and reducing the risk exposure to individual counterparties. The financial counterparties must adhere to high standards for credit quality and agreements are only entered into with counterparties that have a long-term rating above A3/A-. The rating requirement can be eased to BBB/Baa2, provided that the counterparty is resident in a country with a AA/Aa2 rating and that a number of strict collateral requirements are met.

The companies have entered into collateral agreements (CSA agreements) with the majority of the financial counterparties and since 2005 have only entered into derivative contracts that are regulated by such agreements. The CSA agreements are two-way and imply that both the company and the counterparty must pledge collateral in the form of government bonds or mortgage bonds with high credit quality when the balance is in favour of one of the parties. The parties have title of right to the collateral with mandatory return of income and securities in the absence of bankruptcy.

The credit exposure is effectively limited by low threshold values for unhedged receivables and greater collateral is required for counterparties with lower credit quality, i.e. with a requirement for supplementary collateral for lower ratings.

The bonds, provided as collateral, must have a minimum rating of Aa3/AA-.

The companies are not covered by EMIR's central clearing obligation for derivative transactions.

The IFRS accounting standard stipulates that the credit risk is calculated gross excluding netting (the offsetting of positive and negative balances for each counterparty), even though such agreements exist. Net exposure is given as additional information and constitutes a better measure of the companies' actual credit risk.

Credit risks on financial assets recognised at fair value distributed on credit quality 2019, A/S Storebælt

Total counterparty exposure (market value)

Rating	Deposits	Deriva-tives without netting	Deriva-tives with netting	Collateral	Number of counter-parties
AAA	942	0	0	0	1
AA	0	712	0	0	4
A	0	518	282	84	5
BBB	0	68	53	67	2
Total	**942**	**1,298**	**335**	**151**	**12**

Credit risks on financial assets recognised at fair value distributed on credit quality 2018, A/S Storebælt

Total counterparty exposure (market value)

Rating	Deposits	Derivatives without netting	Derivatives with netting	Collateral	Number of counter-parties
AAA	863	0	0	0	1
AA	350	828	125	0	4
A	0	373	232	125	5
BBB	0	16	3	40	2
Total	**1,213**	**1,217**	**360**	**165**	**12**

A/S Storebælt has 11 financial counterparties, including Germany as bond issuer, while the business volume with the remaining 10 counterparties is primarily related to derivative transactions of which 7 counterparties are covered by collateral agreements.

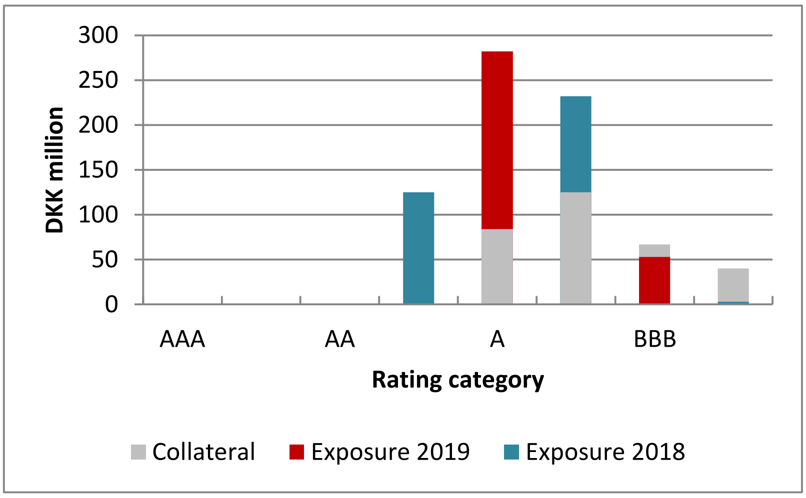
The credit exposure is primarily exposed against the AA and A rating category and is largely covered by collateral agreements.

Counterparty exposure to counterparties with collateral agreements totals DKK 127 million and collateral amounts to DKK 151 million. Counterparty exposure without collateral agreements totals DKK 208 million, primarily in the AA and A rating category.

A/S Storebælt has pledged collateral for DKK 865 million to hedge outstanding exposure from derivative transactions in favour of three counterparties.

The amounts related to credit risks and collateral are stated at market value at the balance sheet date.

Distribution of counterparty exposure on rating categories 2019 and 2018, A/S Storebælt



Credit risks on financial assets recognised at fair value distributed on credit quality 2019, A/S Øresund

Total counterparty exposure (market value)

Rating	Deposits	Derivatives without netting	Derivatives with netting	Collateral	Number of counter-parties
AAA	866	0	0	0	1
AA	0	322	56	84	2
A	0	997	954	967	4
BBB	0	0	0	0	1
Total	**866**	**1,319**	**1,010**	**1,051**	**8**

Credit risks on financial assets recognised at fair value distributed on credit quality 2018, A/S Øresund

Total counterparty exposure (market value)

Rating	Deposits	Deriva-tives without netting	Deriva-tives with netting	Collateral	Number of counter-parties
AAA	600	0	0	0	1
AA	0	253	5	0	2
A	0	1,062	989	957	4
BBB	0	0	0	0	1
Total	**600**	**1,315**	**994**	**957**	**8**

A/S Øresund has 8 financial counterparties, including Germany as bond issuer, while the business volume with the remaining 7 counterparties is related to derivative transactions of which all counterparties are covered by collateral agreements.

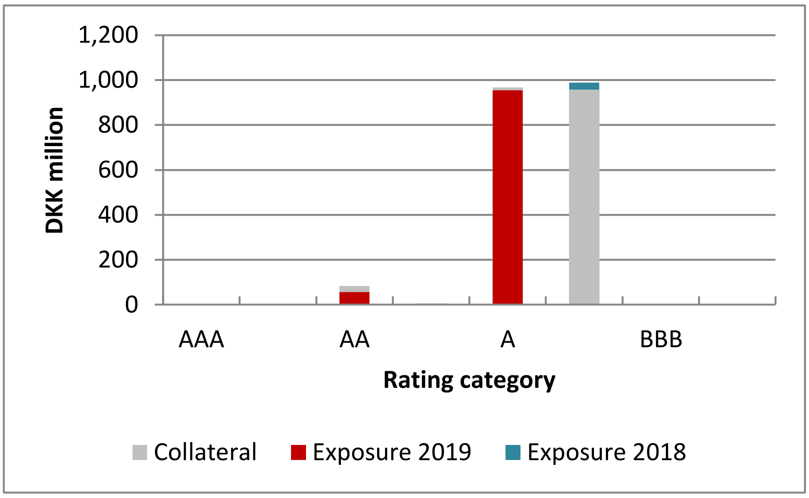
The credit exposure is primarily concentrated in the A rating category and largely covered by collateral agreements.

Counterparty exposure to counterparties with collateral agreements totals DKK 1,010 million and collateral amounts to DKK 1,051 million. There is no exposure to counterparties without collateral.

A/S Øresund has pledged collateral for DKK 669 million to hedge outstanding exposure from derivative transactions in favour of four counterparties.

The amounts related to credit risks and collateral are stated at market value at the balance sheet date.

Distribution of counterparty exposure on rating categories 2019 and 2018, A/S Øresund



Credit risks on financial assets recognised at fair value distributed on credit quality 2019, A/S Femern Landanlæg

Total counterparty exposure (market value)

Rating	Deposits	Deriva-tives without netting	Deriva-tives with netting	Collateral	Number of counter-parties
AAA	1,549	0	0	0	0
AA	0	42	0	0	1
A	0	130	0	0	1
BBB	0	58	58	74	1
Total	**1,549**	**230**	**58**	**74**	**3**

Credit risks on financial assets recognised at fair value distributed on credit quality 2018, A/S Femern Landanlæg

Total counterparty exposure (market value)

Rating	Deposits	Deriva-tives without netting	Deriva-tives with netting	Collateral	Number of counter-parties
AAA	0	0	0	0	0
AA	0	204	94	91	1
A	0	413	164	174	1
BBB	0	0	0	0	0
Total	**0**	**617**	**258**	**265**	**2**

A/S Femern Landanlæg has 4 financial counterparties, including Germany as bond issuer, while the business volume with the remaining 3 counterparties is related to derivative transactions of which all counterparties are covered by collateral agreements.

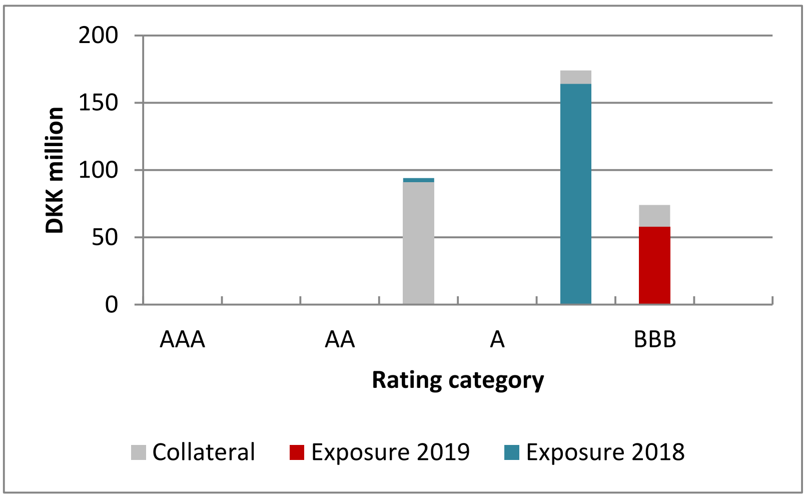
The credit exposure is primarily concentrated in the BBB-rating category and covered by collateral agreements.

Counterparty exposure to counterparties with collateral agreements totals DKK 58 million and collateral amounts to DKK 74 million. There is no exposure to counterparties without collateral.

A/S Femern Landanlæg has pledged collateral for DKK 789 million to hedge outstanding exposure from derivative transactions in favour of two counterparties.

The amounts related to credit risks and collateral are stated at market value at the balance sheet date.

Distribution of counterparty exposure on rating categories 2019 and 2018, A/S Femern Landanlæg



Credit risks on financial assets recognised at fair value distributed on credit quality 2019, Femern A/S

Total counterparty exposure (market value)

Rating	Deposits	Deriva-tives without netting	Deriva-tives with netting	Collateral	Number of counter-parties
AAA	7,961	0	0	0	4
AA	500	0	0	0	1
A	0	0	0	0	0
BBB	0	0	0	0	0
Total	**8,461**	**0**	**0**	**0**	**5**

Credit risks on financial assets recognised at fair value distributed on credit quality 2018, Femern A/S

Total counterparty exposure (market value)

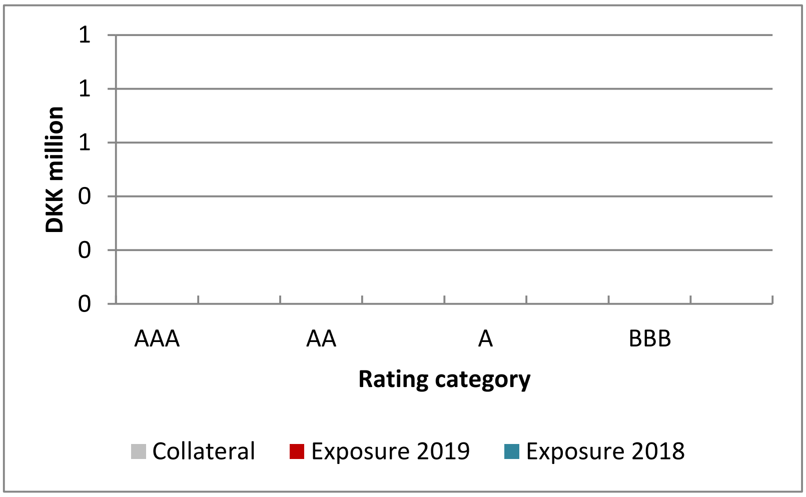
Rating	Deposits	Deriva-tives without netting	Deriva-tives with netting	Collateral	Number of counter-parties
AAA	2,733	0	0	0	2
AA	500	0	0	0	1
A	0	0	0	0	0
BBB	0	0	0	0	0
Total	**3,233**	**0**	**0**	**0**	**3**

On the balance sheet date, Femern A/S had credit exposures in connection with the deposit of excess liquidity with bank deposits and securities in the form of Danish mortgage bonds and German government bonds with short remaining maturity.

The DKK 500 million bank deposit is deposited in a bank with a AA-/Aa3 rating, while the Danish mortgage bonds of DKK 3,158 million and the German government bonds of DKK 4,803 million have a credit quality of AAA/Aaa. Credit exposures are stated at fair value.

The amounts related to credit risks are stated at market value at the balance sheet date.

Distribution of counterparty exposure on rating categories 2019 and 2018, Femern A/S



Liquidity risk

Liquidity risk is the risk of losses arising if the companies have difficulties meeting their financial liabilities, both in terms of debt and derivatives.

The guarantee provided by the Danish State, and the flexibility to maintain a liquidity reserve of up to 6 months' liquidity consumption imply a limited liquidity risk for the companies. In order to avoid substantial fluctuations in the refinancing for individual years, the objective is for the principal payments to be evenly dispersed. Unexpected cash outflow can arise from demands for collateral as a result of market value changes on derivative transactions.

Maturity on debt as well as liabilities and receivables from financial derivatives, A/S Storebælt, 2019

Maturity	0-1 years	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Principal amount							
Debt	-2,270	-2,286	-1,000	-3,292	0	-10,195	-19,043
Derivative liabilities	-2,077	-280	0	0	0	-482	-2,839
Derivative receivables	2,105	251	0	0	0	0	2,356
Assets	560	374	0	0	0	0	934
Total	**-1,682**	**-1,941**	**-1,000**	**-3,292**	**0**	**-10,677**	**-18,592**
Interest payments							
Debt	-236	-178	-109	-187	-79	-487	-1,276
Derivative liabilities	-172	-102	-52	-49	-102	-420	-897
Derivative receivables	211	113	19	2	0	111	456
Assets	0	0	0	0	0	0	0
Total	**-197**	**-167**	**-142**	**-234**	**-181**	**-796**	**-1,717**

Maturity on debt as well as liabilities and receivables from financial derivatives, A/S Storebælt, 2018

Maturity	0-1 years	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Principal amount							
Debt	-4,602	-2,242	-2,267	0	-3,289	-8,091	-20,491
Derivative liabilities	-2,336	-1,608	-280	0	0	-465	-4,689
Derivative receivables	2,330	1,612	242	0	0	0	4,184
Assets	1,209	0	0	0	0	0	1,209
Total	**-3,399**	**-2,238**	**-2,305**	**0**	**-3,289**	**-8,556**	**-19,787**
Interest payments							
Debt	-378	-237	-164	-96	-190	-527	-1,592
Derivative liabilities	-195	-167	-93	-61	-72	-471	-1,059
Derivative receivables	360	190	70	0	0	108	728
Assets	0	0	0	0	0	0	0
Total	**-213**	**-214**	**-187**	**-157**	**-262**	**-890**	**-1,923**

Maturity on debt as well as liabilities and receivables from financial derivatives, A/S Øresund, 2019

Maturity	0-1 years	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Principal amount							
Debt	-1,150	-650	-700	-1,700	-2,062	-4,684	-10,946
Derivative liabilities	0	0	0	0	-1,419	-208	-1,627
Derivative receivables	0	0	0	0	1,412	0	1,412
Assets	0	859	0	0	0	0	859
Total	**-1,150**	**209**	**-700**	**-1,700**	**-2,069**	**-4,892**	**-10,302**
Interest payments							
Debt	-289	-285	-265	-264	-239	-1,127	-2,469
Derivative liabilities	-93	-94	-86	-79	-99	-599	-1,050
Derivative receivables	127	114	111	116	99	582	1,149
Assets	0	0	0	0	0	0	0
Total	**-255**	**-265**	**-240**	**-227**	**-239**	**-1,144**	**-2,370**

Maturity on debt as well as liabilities and receivables from financial derivatives, A/S Øresund, 2018

Maturity	0-1 years	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Principal amount							
Debt	-900	-1,150	-650	0	-1,700	-6,146	-10,546
Derivative liabilities	0	0	0	0	0	-1,611	-1,611
Derivative receivables	0	0	0	0	0	1,412	1,412
Assets	598	0	0	0	0	0	598
Total	**-302**	**-1,150**	**-650**	**0**	**-1,700**	**-6,345**	**-10,147**
Interest payments							
Debt	-320	-283	-281	-262	-263	-1,373	-2,782
Derivative liabilities	-106	-89	-83	-80	-81	-335	-774
Derivative receivables	151	121	107	99	99	603	1,180
Assets	0	0	0	0	0	0	0
Total	**-275**	**-251**	**-257**	**-243**	**-245**	**-1,105**	**-2,376**

Maturity on debt as well as liabilities and receivables from financial derivatives, A/S Femern Landanlæg 2019

Maturity	0-1 years	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Principal amount							
Debt	-1,500	-250	0	0	0	-3,046	-4,796
Derivative liabilities	-9	0	0	0	0	-84	-93
Derivative receivables	26	0	16	15	0	14	71
Assets	0	1,531	0	0	0	0	1,531
Total	**-1,483**	**1,281**	**16**	**15**	**0**	**-3,116**	**-3,287**
Interest payments							
Debt	-25	-20	-14	-15	-16	-49	**-139**
Derivative liabilities	-28	-13	-48	-58	-30	-669	**-846**
Derivative receivables	0	0	0	0	0	160	**160**
Assets	0	0	0	0	0	0	**0**
Total	**-53**	**-33**	**-62**	**-73**	**-46**	**-558**	**-825**

Maturity on debt as well as liabilities and receivables from financial derivatives, A/S Femern Landanlæg 2018

Maturity	0-1 years	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Principal amount							
Debt	-200	-1,500	-250	0	0	-650	-2,600
Derivative liabilities	-6	0	0	0	0	-67	-73
Derivative receivables	19	13	0	13	11	11	67
Assets	0	0	0	0	0	0	0
Total	**-187**	**-1,487**	**-250**	**13**	**11**	**-706**	**-2,606**
Interest payments							
Debt	-27	-19	-15	-8	-8	-18	-95
Derivative liabilities	-20	-35	-20	-38	-36	-405	-554
Derivative receivables	0	0	0	0	0	792	792
Assets	0	0	0	0	0	0	0
Total	**-47**	**-54**	**-35**	**-46**	**-44**	**369**	**143**

Maturity on debt as well as liabilities and receivables from financial derivatives, Femern A/S 2019

Maturity	0-1 years	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Principal amount							
Debt	0	0	-1,850	0	0	-9,900	-11,750
Derivative liabilities	0	0	0	0	0	0	0
Derivative receivables	0	0	0	0	0	0	0
Assets	4,581	3,801	0	0	0	0	8,382
Total	**4,581**	**3,801**	**-1,850**	**0**	**0**	**-9,900**	**-3,368**
Interest payments							
Debt	-166	-77	-77	-77	-50	-149	**-596**
Derivative liabilities	0	0	0	0	0	0	**0**
Derivative receivables	0	0	0	0	0	0	**0**
Assets	16	27	0	0	0	0	**43**
Total	**-150**	**-50**	**-77**	**-77**	**-50**	**-149**	**-553**

Maturity on debt as well as liabilities and receivables from financial derivatives, Femern A/S 2018

Maturity	0-1 years	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Principal amount							
Debt	1,850	3,700	0	0	-1,850	-9,900	-6,200
Derivative liabilities	-1,008	0	0	0	0	0	-1,008
Derivative receivables	1,008	0	0	0	0	0	1,008
Assets	799	2,394	0	0	0	0	3,193
Total	**2,649**	**6,094**	**0**	**0**	**1,850**	**-9,900**	**-3,007**
Interest payments							
Debt	-37	-57	-77	-77	-77	-198	-523
Derivative liabilities	0	0	0	0	0	0	0
Derivative receivables	0	0	0	0	0	0	0
Assets	8	9	0	0	0	0	17
Total	**-29**	**-48**	**-77**	**-77**	**-77**	**-198**	**-506**

Debt, derivative liabilities and receivables, as well as financial assets, are recognised in the liquidity projection and repayments and principal amounts are entered at the earliest due date. Interest payments are recognised at agreed terms and implicit forward interest rates and inflation form the basis for the variable interest payments and inflation indexation. Repayments, principal amounts and interest payments are disclosed for the net debt and neither refinancing nor cash flows from operating activities is included, c.f. IFRS 7.

Note 24 Profitability

A/S Storebælt

A/S Storebælt's debt will be repaid from the revenue from road and rail traffic. In the long-term profitability calculation, the repayment period is calculated using a real rate of 3.0 per cent on the part of the debt that is not hedged, while the part of the debt that is hedged is included with the agreed interest rate terms.

The political agreement of 21 September 2017 concerning a 25 per cent reduction in charges and the obligation to co-finance the extension of the Funen motorway to the tune of DKK 2.1 billion resulted in the repayment period being extended to 34 years with the debt expected to be repaid in 2032. In the current financial year, the repayment period is unchanged at 34 years.

The railway companies' payment for use of the fixed links across Storebælt and Øresund were reduced in connection with the 2016 Finance Act. As regards A/S Storebælt, revenue depends on actual rail traffic and the reduction in the railway payment resulted in a reduction in rail revenues of DKK 270 million in 2016 prices.

Co-financing of the political agreement, A Green Transport Policy, from 29 January 2009 is included in the calculation of the repayment period whereby the company pays a dividend to the State of DKK 9.0 billion (in 2008 prices) until the financial year 2022.

After payment of the expected dividend of DKK 1,380 million for the 2019 financial year, a total of DKK 8,443 million will have been paid to the shareholder.

The main uncertainties in the profitability calculation relate to the long-term traffic development and the real interest rate, which is assumed to total 3.0 per cent.

In 2020, negative traffic growth of 1 per cent is expected for passenger cars and lorries, which will gradually rise to a long-term growth rate of 1.5 per cent from 2024. Operating expenses assume annual efficiencies of 2 per cent per annum over the next five years after which they are expected to rise in line with inflation. Moreover, there is some uncertainty regarding the size and timing of reinvestments in the rail link.

A/S Øresund

The investment in the Øresund fixed link's landworks will be repaid in part through payment from Banedanmark for use of the Øresund rail line and in part through dividend payments from Øresundsbro Konsortiet I/S of which A/S Øresund owns 50 per cent.

In the long-term profitability calculation, the repayment date is calculated using a real rate of 3.0 per cent on the part of the debt that is not hedged, while the part of the debt that is hedged is included with the agreed interest rate terms.

As a consequence of the 2016 Finance Act, the railway payment is gradually reduced until 2024 and will be reduced by a total of DKK 200 million in 2016 prices when fully phased in. In addition, A/S Øresund is obliged to cover the railway payment for Øresundsbro Konsortiet I/S, which was previously financed by the Finance Act.

Due to the joint taxation with the Group's other companies, A/S Øresund obtains a cash flow benefit. This is because joint taxation with A/S Storebælt means that A/S Storebælt can utilise the tax losses in A/S Øresund's towards paying the proceeds of the tax savings for A/S Øresund. A/S Øresund can thus forward the use of its tax losses over time.

The repayment period for A/S Øresund is calculated at 47 years, which is an extension of two years compared to the previous financial statements. Among other things, this is on account of the postponement of the dividend payment from Øresundsbro Konsortiet A/S because of the EU Commission's annulment of State aid approval and a slight downward adjustment of traffic revenue.

A/S Øresund is sensitive to changes in the economy of Øresundsbro Konsortiet I/S as this is where the traffic revenue for debt repayments comes from and indirectly to Storebælt A/S via joint taxation.

Profitability of the Fehmarnbelt project

On 11 February 2016, Femern A/S published a financial analysis of the Fehmarnbelt project's overall economy (the coast-to-coast link and the Danish landworks). The analysis shows that the total construction budget amounts to DKK 62.1 billion (2015 prices) which includes total reserves of DKK 9.5 billion. The budget is apportioned as follows: the coast-to-coast link at DKK 52.6 billion of which reserves of DKK 7.3 billion and the Danish landworks of DKK 9.5 billion of which reserves of DKK 2.2 billion. The repayment period is calculated at 36 years from the date of commissioning.

An analysis of the reserves and risk apportionment on the Fehmarnbelt link undertaken by the consultancy company EY, published on 8 February 2016, states that the size and proportion of the reserves are deemed appropriate.

Note 25 Trade and other payables

Sund & Bælt Holding A/S			Sund & Bælt Group	
2018	**2019**		**2019**	**2018**
14.0	22.1	Trade payables	413.4	498.0
658.9	279.3	Debt group enterprises - group companies	0.0	0.0
0.0	0.0	Debt, Øresundsbro Konsortiet I/S	42.3	0.0
1.3	0.4	Guarantee commission payable	52.1	51.9
1.5	0.2	Accrued interest, financial instruments [1)]	405.3	399.0
38.6	20.1	Other payables	106.6	137.3
714.3	**322.1**	**Total**	**1,019.7**	**1,086.2**
		Accrued interest		
0.0	0.0	Investment	2.9	3.2
1.5	0.2	Loans	102.4	149.9
0.0	0.0	Interest rate swaps	300.0	260.7
0.0	0.0	Currency swaps	0.0	-14.8
1.5	**0.2**	**Total**	**405.3**	**399.0**

[1)] Note: See note 22.

Note 26 Accruals and deferred income

Accruals and deferred income comprise payments received relating to income in subsequent years.

Sund & Bælt Holding A/S			Sund & Bælt Group	
2018	**2019**		**2019**	**2018**
0.0	0.0	Prepaid income	54.5	48.5
0.0	0.0	Other accruals	3.4	4.1
0.0	**0.0**	**Accruals and deferred income, total**	**57.9**	**52.6**

Note 27 Contractual obligations, contingent liabilities and collateral

The Group's contractual obligations comprise construction, operational and maintenance contracts entered into with expiry dates up to 2022 with an overall balance of DKK 215 million (DKK 304 million in 2018). At year end, work under contracts amounted to DKK 159 million (DKK 277 million in 2018).

In connection with Femern A/S having entered into conditional contracts for the construction of the Fehmarnbelt tunnel, the company has a contractual obligation of DKK 112 million (2015 prices) as regards the conditional contracts. Femern A/S has also entered into conditional contracts related to land acquisitions. The company has a contractual obligation related to the conditional contracts of DKK 17 million.

The Act on the Construction and operation of a fixed link across the Fehmarnbelt with associated landworks in Denmark was adopted by the Danish Parliament on 28 April 2015. The Act authorises A/S Femern Landanlæg to build and operate the Danish landworks associated with a fixed link across the Fehmarnbelt. With the issue of the statutory order on the delegation of certain tasks and powers concerning the construction and operation of a fixed link across the Fehmarnbelt with associated landworks in Denmark on 17 September 2015, client responsibility was assigned to Banedanmark while A/S Femern Landanlæg remains responsible for the ownership and financing of the landworks. The comments to the Construction Act stipulate that a reassessment of the overall economy of the project, including an updated risk assessment, are to be submitted to the political parties behind the Fehmarnbelt project before construction work can begin. The total costs for the upgrading of the Danish landworks are budgeted at DKK 9.5 billion (2015 prices). Based on the political agreement by the political parties behind the Fehmarnbelt link of 4 March 2016, the company is authorised to begin construction work on the Ringsted-Nykøbing Falster railway line so that the section is upgraded to dual track and a new signalling systems by 2021 and electrified by 2024. These construction works are budgeted at DKK 7.5 billion (2015 prices) and the contractual obligations are primarily assigned to Banedanmark. The section between Nykøbing Falster and Holeby at Rødby will be extended, so that the section will be complete before the opening of the coast-to-coast link.

In accordance with the Act on Ferry Operations, A/S Storebælt is required, within a specified extent, to maintain car ferry operations between Zealand and Jutland across Kattegat and between Spodsbjerg and Tårs. For the Spodsbjerg and Tårs service, with effect from 1 May 2018, an agreement was entered into with Danske Færger A/S (purchased by Molslinjen A/S during 2018) with regard to the operation of the service for a period of 10 years with the option of a further two years. In 2020, costs are expected to amount to DKK 35 million.

In 2013, HH Ferries *et al* lodged a complaint with the EU Commission claiming that the Danish/Swedish State guarantees for Øresundsbro Konsortiet I/S's loans, etc. are illegal according to the EU's State aid rules. In October 2015, the EU Commission decided that the guarantees are covered by the State aid rules, but that they are in compliance with these rules. HH Ferries *et al* brought this before the EU Court, which reached a decision on 19 September 2018. The decision was an annulment of the EU Commission's decision from 2015. The judgement did not state whether the State aid was illegal or not, but only that the Commission had made certain procedural errors. The Commission is initiating a formal investigation procedure, which will lead to a new decision, probably in the first half of 2020.

A/S Storebælt, A/S Øresund and A/S Femern Landanlæg have entered into two-way collateral agreements (CSA agreements) with a number of financial counterparties and are required to pledge collateral in the form of government bonds for outstanding exposure from derivative contracts in the counterparties' favour. A/S Storebælt has currently pledged collateral for DKK 865 million to hedge outstanding exposure from derivative transactions in favour of three counterparties. A/S Øresund has currently pledged collateral for DKK 669 million to hedge outstanding exposure from derivative transactions in favour of four counterparties. A/S Femern Landanlæg has pledged collateral for DKK 789 million to hedge outstanding exposure from derivative transactions in favour of two financial counterparties.

Sund & Bælt Holding A/S is the administration company in Danish joint taxation. As from the financial year 2013, according to the rules of the Danish Corporation Tax Act, the company is jointly and severally liable with the other jointly taxed companies for corporation tax.

Apart from that, the Group's companies have not pledged any collateral.

Note 28 Related parties

Related parties comprise the Danish State, companies and institutions owned by it. Transactions concerning the Group's senior executives are shown in note 6.

Related party	Registered office	Affiliation	Transactions	Pricing
The Danish State	Copenhagen	100 per cent ownership of Sund & Bælt Holding A/S	Guarantee for the company's debt. Guarantee commission	Determined by legisation. Accounts for 0.15 per cent of the nominal debt
Ministry of Transport and Housing	Copenhagen	100 per cent ownership of Sund & Bælt Holding A/S	Consultancy	Market price
Danish Road Directorate	Copenhagen	Part of the Ministry of Transport and Housing	Consultancy	Market price
The Fjord Link Frederikssund	Frederikssund	Owned by the Ministry of Transport and Housing	Management of operational tasks. Construction work	Market price
Banedanmark	Copenhagen	Owned by the Danish State	Payments for use of subsidiaries' rail links. Consultancy. Construction and maintenance work	Determined by the Minister of Transport and Housing
Metroselskabet I/S	Copenhagen	Partly owned by the Danish State	Consultancy	Market price
Øresundsbro Konsortiet I/S	Copenhagen/Malmø	50 per cent ownership via A/S Øresund. Partly common board members. Common CFO	Management of subsidiary's operational tasks	Market price
A/S Storebælt	Copenhagen	100 per cent owned subsidiary. Partly common board members. Common Management Board	Management of subsidiary's operational tasks. Joint taxation contribution	Market price
A/S Øresund	Copenhagen	100 per cent owned subsidiary. Partly common board members. Common Management Board	Management of subsidiary's operational tasks. Joint taxation contribution	Market price
Femern A/S	Copenhagen	100 per cent owned subsidiary via A/S Femern Landanlæg	Consultancy. Joint taxation contribution	Market price
A/S Femern Landanlæg	Copenhagen	100 per cent owned subsidiary. Partly common board members. Common Management Board	Management of subsidiary's operational tasks. Joint taxation.contribution	Market price
Sund & Bælt Partner A/S	Copenhagen	100 per cent owned subsidiary	Management of common functions. Joint taxation contribution	Market price
BroBizz A/S	Copenhagen	100 per cent owned subsidiary	Management of common functions. Joint taxation contribution	Market price
BroBizz Operatør A/S	Copenhagen	100 per cent owned subsidiary via BroBizz A/S	Management of common functions. Joint taxation contribution	Market price

Related party	Description	Amount 2019	Amount 2018	Balance at 31 Dec 2019	Balance at 31 Dec 2018
The Danish State	Guarantee commission	-54.5	-48.8	-68.2	-48.8
Ministry of Transport and Housing	Consultancy	-1.0	0.0	0.2	0.0
Danish Road Directorate	Consultancy	-1.3	-2.4	-0.3	-0.9
The Fjord Link Frederikssund	Issuer fee	0.1	0.0	0.0	0.0
	Reinvoicing	-1.3	0.0	-0.5	0.0
	Construction work	10.1	0.0	-2.5	0.0
Metroselskabet I/S	Consultancy	2.2	2.0	0.7	0.6
Banedanmark	Payment for use of rail links in subsidiaries	342.8	367.2	33.3	36.7
	Consultancy	18.4	12.8	10.4	5.6
	Construction and maintenance work	-972.3	-906.3	-100.1	-279.9
Øresundsbro Konsortiet I/S	Management of subsidiary's operational tasks	-7.6	5.2	-1.0	0.0
	Purchase of operational tasks	-354.3	-0.8	-41.3	0.0
A/S Storebælt	Management of subsidiary's operational tasks	65.1	79.2	0.8	11.1
	Common functions	-0.8	0.0	-0.5	0.0
	Joint taxation contribution	250.1	-261.5	250.1	-261.5
A/S Øresund	Management of subsidiary's operational tasks	30.7	23.6	-0.6	2.9
	Joint taxation contribution	-200.4	53.7	-204.2	53.7
Sund & Bælt Partner A/S	Joint taxation contribution	0.1	32.0	0.1	32.0
Femern A/S	Management of subsidiary's operational tasks	28.1	26.5	2.5	1.2
	Joint taxation contribution	-77.0	-96.0	-77.0	-96.0
A/S Femern Landanlæg	Management of subsidiary's operational tasks	8.4	7.1	0.0	1.0
	Joint taxation contribution	25.9	8.5	25.1	8.5
BroBizz A/S	Management of subsidiary's operational tasks	13.3	14.6	1.8	1.5
	Joint taxation contribution	-3.0	-2.0	-1.7	-2.0
BroBizz Operatør A/S	Management of subsidiary's operational tasks	1.0	0.0	0.0	0.0
	Consultancy	9.3	0.0	3.7	0.0
	Joint taxation contribution	-0.1	0.0	-0.1	0.0

Note 29 Events after the balance sheet date

On 13 December 2018, the European Court of Justice ruled on the financing model for the Fehmarnbelt project

As a result of the ruling, on 5 July 2019, the European Commission launched a formal investigation procedure into State aid.

On 20 March 2020, the EU Commission reached their decision regarding the approval of State aid with respect to the financing of the Fehmarnbelt project, where a new support model for the project has been approved. Femern A/S will analyse the decision and the consequences of the decision will be discussed.

The outbreak of Covid-19 and the subsequent closure of workplaces and borders have created great uncertainty for the coming year's results.

Traffic revenue from the road links across Storebælt and Øresund declined substantially owing to the closure of workplaces and borders in mid-March and the effect of this is estimated, with great uncertainty, to be a decline in traffic revenue on a monthly basis of approximately DKK 130-150 million. There will also be a loss of revenue as a result of fewer train departures across Storebælt. With respect to financing expenses, the effect is assessed to be limited as it is expected that the interest rate and inflation will remain at a low level over an extended period.

With regard to the construction works for the Fehmarnbelt project, the company is in discussions with the contractors and the companies' other partners on the possible consequences for the physical activities, which are being undertaken on the Danish and German sides.

Note 30 Approval of the annual report for publication

At the Board meeting of 25 March 2020, the Board of Directors approved this Annual Report for publication.

The Annual Report will be presented to the shareholder of Sund & Bælt Holding A/S for approval at the Annual General Meeting on 17 April 2020.

Statement by the Board of Directors and Management Board

The Board of Directors and Management Board have today considered and approved the annual report for the financial year 1 January – 31 December 2019 for Sund & Bælt Holding A/S.

The consolidated and parent company's financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for annual reports of issuers of listed bonds.

It is our view that the consolidated and parent company's financial statements give a true and fair view of the Group and parent company's assets, liabilities and financial position at 31 December 2019, as well as the results of the Group and parent company's activities and cash flow for the financial year 1 January – 31 December 2019.

It is also our view that the Management's Report gives a true and fair view of developments in the Group and parent company's activities and financial conditions, the annual results and the Group and parent company's overall financial position and a description of the significant risks and uncertainty factors to which the Group and the parent company are exposed.

It is recommended that the annual report be approved at the Annual General Meeting.

Copenhagen, 25 March 2020

Management Board

Mikkel Hemmingsen, CEO

Board of Directors

Peter Frederiksen, Chairman

Jørn Tolstrup Rohde, Vice-Chairman

Walter Christophersen

Claus Jensen

Ruth Schade

Lene Lange

Martin Duus Havelykke

Christina Bendixen Würtz

Jens Villemoes

Independent auditors' report

To the shareholder of Sund & Bælt Holding A/S

Our opinion
In our opinion, the Financial Statements give a true and fair view of the Group and parent company's assets, liabilities and financial position at 31 December 2019 and of the results of the Group and parent company's operations and cash flows for the financial year 1 January – 31 December 2019 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

We have audited the consolidated and parent company accounts for Sund & Bælt Holding A/S for the financial year 1 January – 31 December 2019, which comprise the comprehensive income statement, the balance sheet, statement of changes in equity, cash flow and notes, including the accounting policies for the Group and Company.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA code) and the ethical requirements that are relevant to our audit of the financial statements in Denmark. We have also fulfilled our other ethical responsibilities in accordance with the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on the Management Report
Our opinion on the financial statements does not cover the Management Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management Report and, in doing so, consider whether the Management Report is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, in our view, the Management Report is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management Report.

Management responsibility for the financial statements
Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our

auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence for the financial information for the Group's companies or business activities for the purpose of expressing an opinion on the consolidated financial statements. We are responsible for managing, supervising and conducting the Group audit. We are solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 25 March 2020

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Christian Fredensborg Jakobsen
State Authorised Public Accountant
mne16539

Martin Enderberg Lassen
State Authorised Public Accountant
mne40044

Board of Directors, Management Board and Senior Executives

Board of Directors

Peter Frederiksen, Chairman (date of birth 1963)
Director

Chairman since 2016
Joined the Board of Directors in 2016
Election period expires 2020
Areas of expertise: Many years' experience in senior management positions within transport and logistics companies in the private sector, including A. P. Møller-Mærsk. Has particular expertise within management, strategy and analysis.

Board member of
- Sund & Bælt Holding A/S (Chairman)
- A/S Storebælt (Chairman)
- A/S Øresund (Chairman)
- Femern A/S (Chairman)
- A/S Femern Landanlæg (Chairman)
- Øresundsbro Konsortiet I/S (Chairman)
- A/S United Shipping & Trading Company
- Bunker Holding A/S
- Uni-Tankers A/S

Jørn Tolstrup Rohde, Vice-Chairman (date of birth 1961)
Director

Vice-Chairman since 2017
Joined the Board of Directors in 2017
Election period expires 2021
Areas of expertise: Many years' experience in senior management positions within international production and logistical companies in the private sector food industry, including Carlsberg A/S. Has particular expertise within management, strategy, finance, marketing and NGOs.

Board member of
- 3C Groups A/S (Chairman)
- Blue Ocean Robotics A/S (Chairman)
- Facit Bank A/S (Chairman)
- Alfred Pedersen & Søn A/S (Chairman)
- Sund & Bælt Holding A/S (Vice-Chairman)
- A/S Storebælt (Vice-Chairman)
- A/S Øresund (Vice-Chairman)
- Femern A/S (Vice-Chairman)
- A/S Femern Landanlæg (Vice-Chairman)
- Øresundsbro Konsortiet I/S
- Løgimose Meyers A/S
- Dinex A/S

Walter Christophersen (date of birth 1951)
Independent businessman

Joined the Board of Directors in 2011
Election period expires 2021
Areas of expertise: Many years' experience from the private sector and politics. Has particular expertise within business, traffic and societal issues.

Board member of
- Sund & Bælt Holding A/S
- A/S Storebælt
- A/S Øresund
- Femern A/S
- A/S Femern Landanlæg

Claus Jensen (date of birth 1964)
Union Present, the Danish Metal Workers' Union

Joined the Board of Directors in 2014
Election period expires 2021
Areas of expertise: Management experience gained through various managerial positions at the Danish Metal Workers' Union. In-depth social and international understanding, thorough knowledge of labour market conditions and the collective bargaining system, strong negotiation skills, experience of management systems, staffing and organisational issues, in-depth knowledge of budgeting, accounting, insurance and pensions.

Board member of
- CO-industri (Chairman)
- EUROPA think tank
- Sund & Bælt Holding A/S
- A/S Storebælt
- A/S Øresund
- Femern A/S
- A/S Femern Landanlæg
- Øresundsbro Konsortiet I/S
- European Workers Participation Fund, EWPF
- IndustriALL – European Trade Union (Vice-Chairman)
- Industrianställda i Norden, IN (Chairman)
- A/S A-Pressen
- Danish Academy of Technical Sciences ATV
- The Economic Council of the Labour Movement AE
- Arbejderbevægelsens Kooperative Finansieringsfond, AKF
- Arbejdernes Landsbank
- Arbejdsmarkeds Tillægspension, ATP
- CPH Vækstkomité
- Danmarks Nationalbank
- The Danish Growth Council
- Folk & Sikkerhed
- Fonden Peder Skram
- Industriens Kompetenceudviklingsfond, IKUF
- Industriens Pensionsforsikring A/S
- Industriens Pension Service A/S
- Industriens Uddannelse- og Samarbejdsfond, IUS
- IndustriPension Holding A/S
- Interforcekomitéen
- LINDØ port of ODENSE A/S
- Young Enterprise/Fonden for Entreprenørskab
- Labour Court (Deputy Judge)

- The Norden Association (Ambassador)
- TeknologipagtRådet
- Danmarks Erhvervsfremmebestyrelse
- The Trade Unions' Main Organisation – FH
- AKF Holding
- AlsFynBroen
- E-20 Committee
- Green Business Forum
- Climate Partnership

Ruth Schade (date of birth 1951)
Group Director

Joined the Board of Directors in 2016
Election period expires 2020
Areas of expertise: Director of the Harboe Group with responsibility for business strategy, finance and corporate and contractual matters as well as investor relations.

Board member of
- Sund & Bælt Holding A/S
- A/S Storebælt
- A/S Øresund
- A/S Femern Landanlæg
- Femern A/S
- Maj Invest Holding A/S
- Fondsmæglerselskabet Maj Invest A/S
- Maj Invest Equity A/S
- Harboe Ejendomme A/S
- Keldernæs A/S
- Visbjerggården A/S
- Danfrugt Skælskør A/S

Lene Lange (date of birth 1973)
Director: Value AdviceApS

Joined the Board of Directors in 2016
Election period expires 2020

Areas of expertise: Legal advice and project management in public-private partnerships, infrastructure projects, production and processing systems and development and supply contracts. Management experience from position as VP Legal and Human Resources at Terma A/S, Director of Delacour Law Firm, Head of Department and Partner at DLA Piper Law Firm (formerly LETT Law Firm) and Executive Vice President of Skamol A/S. Currently runs independent company providing legal and management consultancy.

Board member of
- Sund & Bælt Holding A/S
- A/S Storebælt
- A/S Øresund
- A/S Femern Landanlæg
- Femern A/S
- Value Advice ApS
- PatentCo ApS
- The independent institution Aarhus Jazz Orchestra

Martin Duus Havelykke (date of birth 1964)
Operations Manager, Construction and Installations (elected by employees)

Joined the Board of Directors in 2013
Election period expires 2021

Christina Bendixen Würtz (date of birth 1970)
Safety Manager, railway and auditor (elected by employees)

Joined the Board of Directors in 2017
Election period expires 2021

Jens Villemoes (date of birth: 1979)
Head of Media Relations (elected by employees)

Joined the Board of Directors in 2017
Election period expires 2021

Management Board

Mikkel Hemmingsen
CEO

CEO of
- Sund & Bælt Holding A/S
- A/S Storebælt
- A/S Øresund
- A/S Femern Landanlæg

Board member of
- BroBizz A/S (Chairman)
- BroBizz Operatør A/S (Chairman)
- Sund & Bælt Partner A/S (Chairman)
- Femern A/S
- Øresundsbro Konsortiet I/S

Senior Executives

Technical Department
Technical Director Lars Fuhr Pedersen

Board member of
- Sund & Bælt Partner A/S

Asset Management Executive Director Bjarne Jørgensen

Board member of
- BroBizz A/S
- BroBizz Operatør A/S

Finance Department
CFO Mogens Hansen

Board member of
- Sund & Bælt Partner A/S (Vice-Chairman)
- BroBizz A/S (Vice-Chairman)
- BroBizz Operatør A/S (Vice-Chairman)

Treasury Department
Treasury Director Kaj V. Holm
Vice CEO and CFO of Øresundsbro Konsortiet I/S

Board member of
- KommuneKredit
- Rønne Havn A/S

BroBizz A/S
CEO Kasper Ørtvig

BroBizz Operatør A/S
CEO Ole Lykke Christensen

Sund & Bælt Partner A/S
CEO Bjarne Jørgensen

Board member of
- BroBizz A/S
- BroBizz Operatør A/S

Femern A/S
CEO Claus F. Baunkjær

Board member of
- Sund & Bælt Partner A/S

Key figures and financial ratios (subsidiaries)

NB: The financial ratios have been stated in accordance with Note 1: Accounting Policies.

Sund & Bælt Holding A/S

Key figures, DKK million	2019	2018
Revenue	144	121
Expense	-145	-148
Depreciation	-32	-10
EBIT	-33	-37
Financial items before value adjustment	1,601	1,598
Profit before value adjustment	1,568	1,562
Value adjustments, net	8	2
Profit before tax	1,576	1,564
Tax	5	-10
Profit for the year	1,581	1,554
Capital investment at year end	976	976
Equity	786	616
Balance sheet total	1,576	1,643
Financial ratios, per cent		
Profit ratio (EBIT)	-22.5	-30.6
Rate of return (EBIT)	-2.1	-2.6

A/S Storebælt

Key figures, DKK million	2019	2018
Revenue	3,243	3,283
Expense	-366	-370
Depreciation	-530	-528
EBIT	2,347	2,384
Financial items before value adjustment	-165	-268
Profit before value adjustment	2,182	2,117
Value adjustments, net	-262	91
Profit before tax	1,920	2,207
Tax	-422	-486
Profit for the year	1,498	1,722
Capital investment at year end	25,615	26,015
Bond and bank loans	20,663	21,933
Net debt (fair value)	20,618	21,288
Interest-bearing net debt	18,946	19,832
Equity	4,007	4,109
Balance sheet total	28,263	29,328
Financial ratios, per cent		
Profit ratio (EBIT)	72.4	72.6
Rate of return (EBIT)	8.3	8.1
Return on facilities (EBIT)	9.3	9.2

A/S Øresund

Key figures, DKK million	2019	2018
Revenue	41	70
Expense	-96	-98
Depreciation	-221	-252
EBIT	-277	-280
Financial items before value adjustment	-173	-202
Loss before value adjustment	-450	-482
Value adjustments, net	-470	109
Profit from jointly managed company	427	691
Profit before tax	-492	318
Tax	108	-67
Profit for the year	-384	251
Capital investment at year end	4,826	5,023
Bond and bank loans	13,532	13,015
Net debt (fair value)	12,681	12,278
Interest-bearing net debt	11,018	11,017
Equity	-6,416	-6,033
Balance sheet total	8,677	8,212
Financial ratios, per cent		
Profit ratio (EBIT)	-675.1	-400.0
Rate of return (EBIT)	-3.2	-3.4
Return on facilities (EBIT)	-5.7	-5.6

Sund & Bælt Partner A/S

Key figures, DKK 1,000	2019	2018
Revenue	4,967	4,878
Expense	-4,651	-5,004
Depreciation	0	0
EBIT	316	-126
Financial items	-64	-56
Tax	-55	44
Profit/oss for the year	197	-138
Capital investment	0	0
Equity	11,283	11,086
Balance sheet total	12,806	12,605
Financial ratios, per cent		
Profit ratio (EBIT)	6.4	-2.6
Rate of return (EBIT)	2.5	-1.0

A/S Femern Landanlæg

Key figures, DKK 1,000	2019	2018
Revenue	0	0
Expense	-3,252	-3,081
EBIT	-3,352	-3,081
Financial items	-1,034,243	-101,661
Tax	228,249	26,399
Loss for the year	-809,246	-78,343
Capital investment	3,231,559	2,344,100
Equity	-129,700	679,546
Balance sheet total	6,138,629	4,182,355
Financial ratios, per cent		
Profit ratio (EBIT)	0.0	0.0
Rate of return (EBIT)	0.0	0.0

Femern A/S

Key figures, DKK 1,000	2019	2018
Revenue	0	0
Expense	-1,297	-1,451
EBIT	-1,297	-1,451
Financial items	-408,063	-125,275
Tax	90,029	27,839
Loss for the year	-319,331	-98,887
Capital investment	4,211,480	3,645,551
Equity	105,064	424,395
Balance sheet total	13,323,491	7,375,020
Financial ratios, per cent		
Profit ratio (EBIT)	0.0	0.0
Rate of return (EBIT)	0.0	0.0

BroBizz A/S

Key figures, DKK million	2019	2018
Revenue	97.1	91.3
Expenses	-77.5	-69.6
Depreciation	-18.9	-17.1
EBIT	0.8	4.6
Financial items	-1.0	1.5
Tax	0.0	-1.3
Profit/loss for the year	-0.2	4.8
Capital investment	61.1	57.6
Equity	123.4	123.6
Balance sheet total	542.9	533.3
Financial ratios, per cent		
Profit ratio (EBIT)	0.8	5.0
Rate of return (EBIT)	0.1	0.9

BroBizz Operatør A/S

Key figures, DKK 1,000	2019	2018
Revenue	21,370	1,166
Expenses	-21,927	-1,180
Depreciation	0	0
EBIT	-557	-14
Financial items	-53	0
Tax	134	-7
Loss for the year	-476	-21
Capital investment	15	0
Equity	9,503	9,979
Balance sheet total	21,164	11,629
Financial ratios, per cent		
Profit ratio (EBIT)	-2.6	-1.2
Rate of return (EBIT)	-2.6	-0.1
Adjusted Operating Earnings (AOE)	-5.0	-0.2

Financial glossary

Swaps
The exchange of a series of payments between two counterparties, e.g. interest or currency swaps, typically between a company and a bank. A company can, for example, take out a fixed rate loan and subsequently enter into an interest rate swap with the bank by which the company receives a corresponding fixed interest rate and pays variable interest +/- a premium. The company will thus have a liability to pay the variable interest +/- the premium. In a currency swap, payments are exchanged in two different currencies.

Interest-bearing net debt
Net interest-bearing debt consists of financial assets and liabilities calculated at amortized cost, excluding debt and interest receivable.

Fair value
Fair value is the accounting term for market value and expresses current purchase and selling rates on financial assets and liabilities. Changes in the fair value can be primarily attributed to developments in the level of interest rate, exchange rates and inflation.

Fair value adjustment
An accounting principle in financial reporting requiring the value of assets/liabilities to be determined at their market value (fair value) - i.e. the value they have in the market at a given time if they were to be bought or sold. During the period between receipt and redemption of the asset/liability, the fair value will fluctuate according to, for example, the interest rate level and the exchange rate.

AAA or AA rating
International credit rating agencies assign companies a grade which expresses their credit rating. Typically, companies can be assigned a short and long rating that expresses the company's ability to settle its liabilities in the short-term and the long-term respectively. The rating follows a scale, with AAA being the best rating, AA the second best etc. The Danish State, which underwrites the liabilities of Storebælt and the Øresund fixed link, has the highest credit rating: AAA. The largest credit rating agencies are Moody's and Standard & Poor's.

Real rate
The nominal interest rate adjusted for inflation.