Sund≈Bælt

ANNUAL REPORT 2020

Contents

Review of the year

Preface

A challenging year with major milestones and green initiatives
2020 was a special year for our fixed links. Traffic on the Storebælt and Øresund Bridges was affected by the Covid-19 pandemic, resulting in significantly lower-than-expected earnings. Traffic on the Storebælt Bridge fell by a total of 15 per cent, while traffic on the Øresund Bridge, which was impeded by several closures of the border with Sweden, fell by 39 per cent. Passenger car traffic was severely affected, but lorry traffic performed much better and helped to ensure a satisfactory result for the Group for the year.

2020 was also the year when a special milestone was reached regarding the forthcoming link across the Fehmarnbelt. At the end of the year, we received final approval from the German Federal Administrative Court, which rejected all complaints against the project in Germany. Thus, work on the Fehmarnbelt tunnel can now also get underway on the German side. In Denmark, extensive work on the tunnel element factory on Lolland began on 1 January 2021, while activities concerning the work harbour in Rødby commenced in early summer.

When the Fehmarnbelt tunnel is completed in 2029, it will be state of the art in a number of ways. Intelligent solutions will be an integral part of the structure, with the use of data and artificial intelligence ensuring more efficient operations. The Fehmarnbelt tunnel is also the first project in Denmark to require sustainable solutions from the tender stage. When the tunnel opens, its operation will be CO_2 neutral. Together with the upgraded railway across Zealand from Ringsted to Rødby, the tunnel will contribute to the green transformation of the transport sector and the establishment of a green transport corridor between Scandinavia and Central Europe, with a fully electrified railway and a direct road link.

Another green benefit from the coming Fehmarnbelt construction is the idea of reusing the element factory, which will cast the enormous tunnel elements for the immersed tunnel. It would make good economic sense for the factory to be reused for future infrastructure projects and be positive for the climate balance sheet. Moreover, maintaining the factory would ensure that jobs stay locally on Lolland. Projects such as a harbour tunnel in Copenhagen have already been mentioned by politicians. Reuse may also be a consideration if the Danish parliament decides to proceed with investigations into a fixed link across Kattegat after the completion of the current feasibility studies that Sund & Bælt are carrying out with the Danish Road Directorate and the Danish Transport, Construction and Housing Authority.

In the autumn, a new assessment from Rambøll showed that the lifetime of the Storebælt Bridge can be doubled and thus stand for more than 200 years. This is due to our work on optimised maintenance and the use of data, digital tools and artificial intelligence. At the same time, there are major climate benefits to be had: in terms of concrete and steel alone, we will save up to 750,000 tonnes of CO_2 by doubling the lifetime of the bridge.

Interest in these benefits can also be seen in the number of enquiries received by our subsidiary, Partner A/S. The company is in discussions with other infrastructure owners focused on lifetime extension as one of the tools in their climate work. In this respect, we share our experience and results, which have been integrated into the industry solution, Maximo for Civil Infrastructure that we launched in partnership with IBM earlier in 2020. The objective is for the solution to help infrastructure owners across the world implement more effective maintenance and improved safety for their customers while reaping the climate benefits of extending the lifetime of their facilities.

Sustainability is also paramount in the operation of our own infrastructure. Electric vehicles now handle all transport around our Storebælt facilities and on Amager. In 2020, we remained committed to the development of nature on Sprogø, where veterans are contributing to new ways of nature conservation with more biodiversity and wild nature. In 2020, the MOE consultancy prepared a report on the state of nature on Sprogø and concluded that our conservation work over the last 20 years has had a positive impact. This is an important insight that we can bring to future infrastructure projects such as the Kattegat link.

The turn of the year 2020/21 saw the roll-out of another contribution to sustainable transport on the Storebælt Bridge. Early in 2020, the Danish parliament decided to introduce green discounts for heavy traffic. This means that from 1 January, discounts are available to all commercial vehicles that comply with Euronorm 6 – or are electric or hydrogen vehicles.

In July 2020, strict environmental requirements were introduced for older diesel-powered lorries, buses and vans in the low emission zones of major Danish cities. Enforcement was digitalised. The system is administered by Sund & Bælt and is based on our technology for automatic number plate recognition, which is already deployed at Storebælt's toll station and at the new Frederikssund link. This work is being undertaken by us on behalf of the Danish Environmental Protection Agency.

In the past year, Brobizz A/S entered into partnership with ferry operators in Norway to enhance business customers' discount opportunities through Bizz. In Denmark, the company entered into a new partnership for number plate payment on the Hals-Egense and Egholm ferry services. These initiatives will help to drive the company's ambition to be a competitive, digital and effective company, which, through strong partnerships and collaboration, offer payment services to customers in Denmark and the rest of Europe. During the year under review, number plate payment proved very successful for Brobizz A/S. A record was set on the Storebælt Bridge in July when 21 per cent of the total number of journeys were paid using number plate recognition technology.

We also reached a milestone on the Storebælt Bridge with our work on upgrading safety for our customers and staff working on the link. New mobile crash barriers were installed and tested over the winter and are now ready to direct traffic into the opposite lane if an accident should close the link in one direction for an extended period. We expect the new installation to make a significant difference to how quickly traffic can begin to flow again following an incident.

2021 will be an exciting year with new milestones in our major projects. We also hope that the gradual reopening of society will mean that traffic across both Storebælt and Øresund will return to previous levels mirroring growth in society. We will do our utmost to promote greater mobility and safety for travellers and stronger, green mobility in Denmark and the rest of Europe.

Peter Frederiksen
Chairman
Sund & Bælt Holding A/S

Mikkel Hemmingsen
CEO
Sund & Bælt Holding A/S

Highlights of 2020

Traffic
Traffic on both bridges was severely impacted by the Covid-19 pandemic.

Road traffic on the Storebælt Bridge totalled 11.2 million vehicles in 2020. This was a decrease of 15.5 per cent compared to 2019. The fluctuations in passenger traffic in 2020 reflected the level of restrictions, i.e. traffic fell by approximately 60 per cent in just over a few days in March. In 2020, The total decrease in passenger car traffic was 17.4 per cent. Lorry traffic increased by 0.2 per cent, which reflects the widespread effort to ensure deliveries and keep businesses afloat.

On the Øresund Bridge, car traffic fell by 39.4 per cent compared to 2019, with a total of 4.6 million vehicles crossing the Øresund Bridge in 2020. Passenger car traffic was hit hardest, with falls of up to 70 per cent in certain periods. Across the year as a whole, passenger car traffic fell by 41.7 per cent while lorry traffic saw a slight fall of 0.6 per cent.

Economy
The result before fair value adjustments and tax, including the share from Øresundsbro Konsortiet I/S, is a profit of DKK 1,812 million and is thus DKK 511 million lower compared to 2019.

This was primarily affected by a decline in net revenue of DKK 335 million, which was largely due to the Covid-19 pandemic.

The fair value adjustments amount to an expense of DKK 1,853 million against an expense of DKK 2,380 million in 2019. This, therefore, has a positive effect on the year's result after tax of DKK 411 million.

The result after tax is a loss of DKK 123 million against a loss of DKK 48 million in 2019.

Based on a proposed dividend from A/S Storebælt, Sund & Bælt Holding A/S is expected to pay an extraordinary dividend of DKK 1,378 million in 2021.

Profitability
For A/S Storebælt, the repayment period remains unchanged at 34 years, with the debt being repaid in 2032. The repayment period for A/S Øresund is estimated at 46 years, which is one year less than 2019, primarily as a result of lower-than-expected financing expenses, while a further postponement of the dividend payment from Øresundsbro Konsortiet I/S, as a consequence of the EU Commission's annulment of State Aid approval, has a counterbalancing effect. Thus, the debt will be repaid in 2044. The repayment period for Øresundsbro Konsortiet I/S is unchanged at not more than 50 years, which means that the debt will be repaid by 2050.

On 7 December 2020, Femern A/S published a new financial analysis of the overall economy of the Fehmarnbelt project (the coast-to-coast link and the Danish landworks), which shows that the total cost of the Fehmarnbelt project will be repaid 28 years after the opening. This is an improvement of eight years compared to the most recent financial analysis of 2017.

A fixed link across Kattegat
Together with the Danish Road Directorate and the Ministry of Transport, Sund & Bælt is assisting with a feasibility study of a fixed link across Kattegat. The aim is to provide a better basis for political discussion and possibly a decision in principle on the project's further progress, including construction economics, financing, organisation, traffic, the environment, engineering, macroeconomics, etc.

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

Sund & Bælt Holding A/S

Key figures, DKK million	2020	2019
EBIT	-41	-33
Profit before value adjstmts.	1,563	1,569
Road and rail links	0	0
Interest-bearing net debt	567	654
Equity	975	786
Balance sheet total	1,770	1,856

A/S Øresund

Key figures, DKK million	2020	2019
EBIT	-226	-277
Loss before value adjstmts.	-385	-450
Road and rail links	4,677	4,825
Interest-bearing net debt	11,169	11,018
Equity	-6,709	-6,416
Balance sheet total	8,537	8,677

A/S Storebælt

Key figures, DKK million	2020	2019
EBIT	2,007	2,347
Profit before value adjstmts.	1,832	2,182
Road and rail links	24,921	25,361
Interest-bearing net debt	18,473	18,946
Equity	3,914	4,007
Balance sheet total	27,765	28,263

A/S Femern Landanlæg

Key figures, DKK million	2020	2019
EBIT	-3	-3
Profit/loss before value adjstmts.	407	-3
Road and rail links	4,024	3,232
Interest-bearing net debt	4,449	3,293
Equity	-704	-130
Balance sheet total	8,320	6,139

Femern A/S

Key figures, DKK million	2020	2019
EBIT	-2	-1
Profit/loss before value adjstmts.	0	0
Road and rail links	0	0
Interest-bearing net debt	5,288	3,467
Equity	-220	105
Balance sheet total	13,582	13,323

Brobizz A/S

Key figures, DKK million	2020	2019
EBIT	0	1
Profit/loss before value adjstmts.	0	1
Road and rail links	0	0
Interest-bearing net debt	0	0
Equity	123	123
Balance sheet total	543	543

BroBizz Operatør A/S

Key figures, DKK million	2020	2019
EBIT	-2	-1
Loss before value adjstmts.	-2	-1
Road and rail links	0	0
Interest-bearing net debt	0	0
Equity	8	10
Balance sheet total	13	21

Sund & Bælt Partner A/S

Key figures, DKK million	2020	2019
EBIT	0	0
Profit/loss before value adjstmts.	0	0
Road and rail links	0	0
Interest-bearing net debt	0	0
Equity	11	11
Balance sheet total	13	13

Key figures and financial ratios for Sund & Bælt Group

(DKK million)	2020	2019	2018	2017	2016
Net revenue, road	2,578	2,916	2,873	3,164	3,069
Net revenue, railway	315	333	366	427	423
Other net revenue	77	55	44	71	78
Other external expenses	-335	-399	-510	-545	-502
Other operating income	63	55	98	0	0
Depreciation, amortisation and writedowns	-811	-798	-805	-893	-1,069
Operating profit (EBIT)	1,740	2,019	2,065	2,224	1,999
Financial items excl. value adjustment	-329	-338	-470	-647	-710
Profit before value adjstmts.	1,411	1,682	1,595	1,577	1,289
Value adjustments, net	-1,675	-2,167	-25	977	-512
Share of results in jointly managed company					
(Øresundsbro Konsortiet I/S*))	223	427	691	734	405
Profit/loss	**-123**	**-48**	**1,752**	**2,561**	**933**
Capital investment for the year, road and railway	2,476	1,859	1,686	732	1,134
Capital investment, road and railway, closing balance	39,133	37,603	36,938	36,507	36,612
Net debt (fair value)	**45,556**	**41,764**	**38,746**	**38,892**	**40,479**
Interest-bearing net debt	39,379	36,724	36,112	35,707	36,363
Equity	-4,528	-3,025	-1,566	-1,849	-3,210
Balance sheet total	56,892	55,804	48,181	43,525	43,886
Cash flow from operating activities	2,201	2,879	2,492	3,587	2,838
Cash flow from investing activities	-1,707	-9,038	-4,101	-798	-1,168
Cash flow from financing activities	-458	5,801	2,272	-2,963	-1,644
Total cash flow	**36**	**-358**	**663**	**-174**	**26**
Financial ratios, per cent					
Profit ratio (EBIT)	58.6	60.5	61.1	60.7	56.0
Rate of return (EBIT)	3.1	3.6	4.3	5.1	4.6
Return on facilities (EBIT)	4.4	5.4	5.6	6.1	5.5

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

*) Øresundsbro Konsortiet I/S's share of results for 2020 includes an expense of DKK 178 million (expense of DKK 213 million in 2019) relating to value adjustments. The result before value adjustments amounts to a profit of DKK 401 million (DKK 640 million in 2019).

Management report

Development in activities and economic factors

Economy
The results for the year reflect the impact of the Covid-19 pandemic. The result before financial value adjustments and tax, including the share from Øresundsbro Konsortiet I/S, is a profit of DKK 1,812 million against a profit of DKK 2,323 million in 2019.

Group revenue declined by just over DKK 335 million and totals DKK 2,969 million. Revenue from the Storebælt road link declined by 11.6 per cent corresponding to DKK 338 million, thus totalling DKK 2,578 million. The fall can be attributed to the fact that traffic as a whole declined by 15.5 per cent compared to 2019. Rail fees for A/S Øresund and A/S Storebælt fell by DKK 18 million, which is due to fewer trains using the facilities as a result of the Covid-19 pandemic and the reduction of the rail fee with regard to A/S Øresund.

Other external expenses total DKK 335 million in 2020 and fell by DKK 64 million compared to 2019. This is in part due to a VAT refund of approximately DKK 42 million from previous years and in part to the effect of continued efficiency measures and savings linked to three main strategic focus areas – digitalisation, procurement optimisation and process optimisation.

Staff expenses are on a par with last year.

Other operating income totalled DKK 63 million in 2020 and increased by DKK 8 million compared to 2019. The rise is primarily due to revenue in the form of fees for feasibility studies for a fixed link across Kattegat.

Depreciation, amortisation and writedowns increased by DKK 13 million compared to 2019 and total DKK 811 million. The increase in depreciation can be attributed to the commissioning of new software in 2020.

Net interest expenses were DKK 9 million lower in 2020 compared to 2019 and total DKK 330 million. This is due in part to the impact of the continuing fall in market rates and in part to lower inflation indexation.

In 2020, fair value adjustments (including share of adjustments in respect of Øresundsbro Konsortiet I/S) amounted to an expense of DKK 1,853 million against an expense of DKK 2,380 million in 2019. The value adjustments consist primarily of an expense relating to fair value adjustments of financial assets and liabilities. Fair value adjustments are an accounting item with no effect on the repayment period for the Group's debt as the debt is repaid at nominal value.

Net financing expenses, including fair value adjustment (excluding adjustments in respect of Øresundsbro Konsortiet I/S) amount to an expense of DKK 2,004 million against an expense of DKK 2,504 million in 2019.

The share of the result from Øresundsbro Konsortiet I/S is an income of DKK 223 million, which includes negative fair value adjustments of DKK 178 million. The share of the result before fair value adjustments is thus positive at DKK 401 million and DKK 240 million lower than in 2019. Due to the Covid-19 pandemic, the share of the result was affected by a fall in net revenue of almost DKK 245 million, corresponding to 24.3 per cent.

Tax on the Group's results for the year is an expense of DKK 82 million.

The Group's results after tax show a loss of DKK 123 million.

The impact of value adjustments on financial results

(DKK million)	Income statement with ref. to 2020	Fair value adjustments	Pro forma income statement 2020	Pro forma income statement 2019
Operating profit (EBIT)	1,740		1,740	2,019
Financial items excl. value adjustment	-2,004	1,675	-329	-338
Profit/loss before share of jointly managed company	**-264**		**1,411**	**1,682**
Profit from jointly managed company	223	178	401	641
Profit/loss before fair val. adjstmts. and tax	**-41**		**1,812**	**2,323**
Fair value adjustment		-1,853	-1,853	-2,380
Loss before tax	**-41**		**-41**	**-57**
Tax	-82		-82	9
Loss	**-123**		**-123**	**-48**

In the interim financial statements for Q3 2020, the outlook for the year's results before financial value adjustments and tax was for a profit within the range of DKK 1,500-1,800 million. The realised profit before fair value adjustments and tax of DKK 1,812 million is on par with expectations.

The year's investment in software is in line with the Group's digitalisation strategy and comprises replacement of IT and ERP platforms across large parts of the Group, a new toll system and digitalisation projects relating to technical operations and maintenance.

Group equity as at 31 December 2020 was negative at DKK 4,528 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 approx. 5 years.

Sund & Bælt Holding A/S received a dividend of DKK 1,600 million from A/S Storebælt in 2020 and subsequently paid an extraordinary dividend of DKK 1,360 million to the shareholder.

After distribution of the expected extraordinary dividend of DKK 1,378 million to the State in 2021, Sund & Bælt Holding A/S will have distributed DKK 9,821 million to the shareholder. Of the total distribution, DKK 9,000 million relates to the co-financing of the political agreement, A Green Transport Policy, from 2009, and approximately DKK 821 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'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* for 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's debt is guaranteed jointly and severally by the Danish and Swedish States.

Moreover, 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 Denmark* 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 relating to the companies' borrowings. For Femern A/S, according to the financing model approved by the European Commission on 20 March 2020, the guarantee commission amounts to 2.0 per cent with effect from 1 January 2019. In addition, and without further notification of each individual case, the Danish State guarantees the companies' other financial liabilities assumed by the companies in connection with the construction of the infrastructure project.

Cash flow from the Group's operations totals DKK 2,201 million, which is DKK 678 million lower compared to 2019. The change was the result of changes in the cash flow from primary operations due to lower revenue and changes in the working capital.

Cash flow from investing activities totals DKK 1,707 million due, among other things, to investments in the road and rail facilities of DKK 3.0 billion and the sale of securities at DKK 1.8 billion.

The free cash flow arises on the basis of operations, less capital investments and totals DKK 494 million. Free cash flow expresses the Group's ability to generate funds for the financing of interest and the repayment of liabilities.

Financing activities include borrowings, repayments, interest expenses and dividend payment. Cash flow from financing activities amounts to DKK -458 million net.

In total, the Group's cash and cash equivalents increased by DKK 36 million. Thus, cash and cash equivalents at the end of 2020 were positive at DKK 555 million.

Traffic

2020 was affected by Covid-19. This also applies to traffic across Storebælt, which declined by 15.5 per cent compared to 2019. A total of 11,242,651 vehicles crossed Storebælt, which corresponds to annual average daily traffic of 30,718 vehicles. Traffic was therefore at a lower level compared to the previous six years.

The fluctuations in passenger car traffic in 2020 reflect the level of restrictions due to Covid-19. Traffic fell by 60 per cent in just a few days in March and only gradually recovered in the spring as society reopened. A monthly record was set in July with 1,293,597 vehicles across Storebælt. This was because many people took their holidays in Denmark. Restrictions were reimposed in the first week of September, which caused passenger car traffic to fall again. By the week leading up to Christmas, traffic was almost 30 per cent below 2019. Across the year as a whole, passenger car traffic fell by 17.4 per cent compared to 2019.

Covid-19 and social distancing requirements particularly affected coach traffic, which fell by 60 per cent compared to 2019. In April, traffic amounted to 7-8 coaches per day, and during the most restrictive periods, was 80-90 per cent below 2019 levels.

Lorry traffic reflects the widespread effort to ensure deliveries and keep businesses going. Thus, in the spring, lorry traffic only fell by approximately 5 per cent and since September, it has exceeded 2019 levels. Overall, lorry traffic increased by 0.2 per cent in 2020 compared to 2019.

The establishment of express lanes at the Storebælt toll station and the continued growth of payment based on ANPR (Automatic Number Plate Recognition) increased the share of automatic payment to 79.6 per cent for the year as a whole, which is 3.6 percentage points higher than 2019. This helps to ensure a smooth traffic flow – even during the record-breaking month of July.

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

Traffic per day on Storebælt

	2020	2019	2018
Passenger cars	26,522	32,094	31,508
Lorries	4,144	4,135	4,058
Coaches	51	130	133
Total	**30,718**	**36,359**	**35,699**

Annual traffic development on Storebælt (%)

	2019-2020	2018-2019	2017-2016
Passenger cars	-17.4	1.8	1.7
Lorries	0.2	2.1	3.6
Coaches	-60.4	-3.7	11.9
Total	**-15.5**	**1.8**	**2.0**

Quarterly traffic development (%) on Storebælt in 2020 compared to the same quarter in 2019

	Q1	Q2	Q3	Q4
Passenger cars	-14.0	-36.6	-1.7	-16.6
Lorries	2.6	-3.3	-1.7	3.7
Coaches	-31.0	-85.1	-46.5	-70.3
Total	**-11.9**	**-33.2**	**-1.9**	**-14.4**

Finance

The overriding theme of 2020 – including in the financial markets – was the Covid-19 pandemic, which spread from China to the rest of the world during Q1.

Society was shut down – as was economic growth. Virtually all countries in the industrialised world introduced aid packages to keep economies afloat. At the same time, central banks used all available instruments to support economies and finance the aid packages. Both short and long-term interest rates fell further compared to 2019.

A/S Storebælt reduced its interest-bearing net debt by DKK 473 million in 2020, while for A/S Øresund, it increased by DKK 151 million, for A/S Femern Landanlæg it increased by DKK 1,156 million and for Femern A/S it increased by DKK 1,821 million.

At year-end 2020, interest-bearing net debt totalled DKK 18,473 million for A/S Storebælt, DKK 11,169 million for A/S Øresund, DKK 4,449 million for A/S Femern Landanlæg and DKK 5,288 million for Femern A/S.

Financial strategy
Sund & Bælt's objective is to conduct an active and holistic financial management that minimises the long-term financial expenses 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.

Throughout 2020, A/S Storebælt, A/S Øresund, A/S Femern Landanlæg and Femern A/S only raised loans via Nationalbanken. Such on-lending continues to remain very attractive compared to alternative funding sources.

The Group's cautious strategy as regards credit risks meant that the companies did not lose money on the failures of financial counterparties in 2020.

Interest expenses were once again lower in 2020 than in 2019, which is due in part to the impact of the continued fall in market rates and in part to lower inflation indexation.

The duration of the nominal debt in 2020 was fairly constant at around four years for A/S Storebælt and nine years for A/S Øresund, 22 years for A/S Femern Landanlæg and 38 years for Femern A/S.

A/S Storebælt – financial ratios 2020

	DKK million	% p.a.
Borrowing 2020	2,086	
- of which on lending	2,086	
Gross debt (fair value)	21,199	
Net debt (fair value)	20,021	
Interest-bearing net debt	18,473	
Real interest rate (before value adjustment)		0.40
Interest expenses	145	0.76
Value adjustment	-100	-0.52
Total financing expenses [1)]	**45**	**0.24**

1) Note: The amount excludes the guarantee commission, which totals DKK 28.6 million

A/S Øresund – financial ratios 2020

	DKK million	% p.a.
Borrowing 2020	1,249	
- of which on-lending	1,249	
Gross debt (fair value)	13,900	
Net debt (fair value)	12,999	
Interest-bearing net debt	11,169	
Real interest rate (before value adjustment)		0.90
Interest expenses	145	1.32
Value adjustment	214	1.94
Total financing expenses [1)]	**359**	**3.26**

[1)] Note: The amount excludes the guarantee commission, which totals DKK 16.4 million.

A/S Femern Landanlæg – financial ratios 2020

	DKK million	% p.a.
Borrowing 2020	3,034	
- of which on-lending	3,034	
Gross debt (fair value)	8,290	
Net debt (fair value)	6,346	
Interest-bearing net debt	4,449	
Real interest rate (before value adjustments)		-0.10
Interest expenses	11	0.29
Value adjustment	1,147	29.86
Total financing expenses [1)]	**1,158**	**30. 150**

[1)] Note: The amount excludes the guarantee commission of DKK 7.0 million.

Femern A/S – financial ratios 2020

	DKK million	% p.a.
Borrowing 2020	5,594	
- of which on lending	5,594	
Gross debt (fair value)	12,757	
Net debt (fair value)	5,860	
Interest-bearing net debt	5,288	
Real rate (before value ad-justment)		1.20
Interest expenses	64	1.56
Value adjustment	435	10.14
Total financing expenses [1)]	**499**	**12.20**

1) Note: The amount excludes the guarantee commission of DKK 428.2 million.

A/S Storebælt: profitability

A/S Storebælt's debt is repaid from the revenue from the road and rail traffic. In the long-term profitability calculation, the repayment period is calculated on the Ministry of Finance's long-term interest rate estimate for a 10-year government bond from August 2020 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 regarding a 25 per cent reduction in toll charges and the obligation to co-finance the extension of the Funen Motorway to the amount of DKK 2.1 billion (in 2017 prices) resulted in the repayment period being extended to 34 years, whereby the debt is expected to be repaid in 2032. For 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 Finance Act of 2016. For A/S Storebælt, revenue depends on actual train traffic. The lowering of the railway payment resulted in a reduction in rail revenues of DKK 270 million (2016 prices).

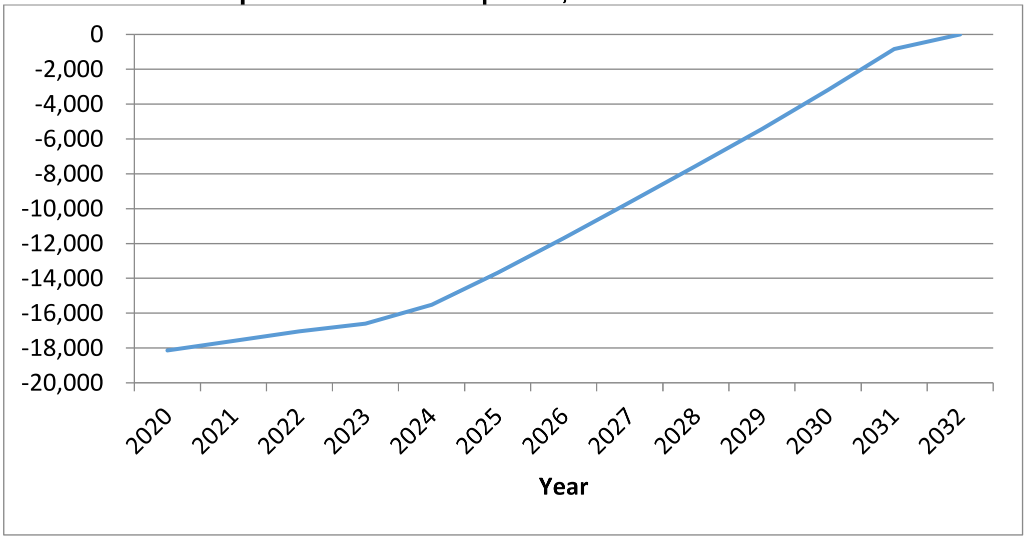
Co-financing of the political agreement, 'A Green Transport Policy' from 29 January 2009, is included in the calculation of the repayment period where the company pays a dividend to the State of DKK 9.0 billion (2008 prices) until the financial year 2022. In addition, there is an obligation to co-finance the afore-mentioned Funen Motorway of DKK 2.2 billion (2018 prices).

After distribution of an expected dividend of DKK 1,378 million for the 2020 financial year, a total of DKK 9,821 million will have been paid to the shareholder. Of the total distribution, DKK 9,000 million relates to the co-financing of the political agreement, 'A Green Transport Policy' from 2009 and DKK 821 million to the co-financing of the expansion of the Funen Motorway. At current prices, there remains approx. DKK 1.6 billion relating to 'A green transport policy' and approx. DKK 1.4 billion relating to the financing of the Funen Motorway.

The main uncertainties in the profitability calculations relate to the long-term traffic developments and the estimate of the interest rate development, which is based on the Ministry of Finance's interest rate estimate for a 10-year government bond.

In 2021, positive traffic growth is expected for passenger cars, which in part makes up for the lost traffic in 2020 caused by the Covid-19 pandemic. Lorries are expected to show zero growth. Traffic growth will gradually increase towards a long-term level of 1.5 per cent for passenger cars and 1.0 per cent for lorries from 2025. Operating expenses are based on assumed annual efficiency improvements of 2 per cent per annum until 2024, after which they are expected to rise in line with general inflation. There is also some uncertainty about the size and timing of the reinvestments in the railway system.

A/S Storebælt – expected debt development, 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 a dividend payment from Øresundsbro Konsortiet I/S, which is 50 per cent owned by A/S Øresund. In the long-term profitability calculation, the repayment date is calculated on the Ministry of Finance's long-term interest rate estimate for a 10-year government bond from August 2020 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 will gradually be reduced until 2024 and will be reduced by a total of DKK 200 million (2016 prices) when fully phased in. This also includes the fact that A/S Øresund is required to cover the railway payment for Øresundsbro Konsortiet I/S, which was previously financed by the Finance Act.

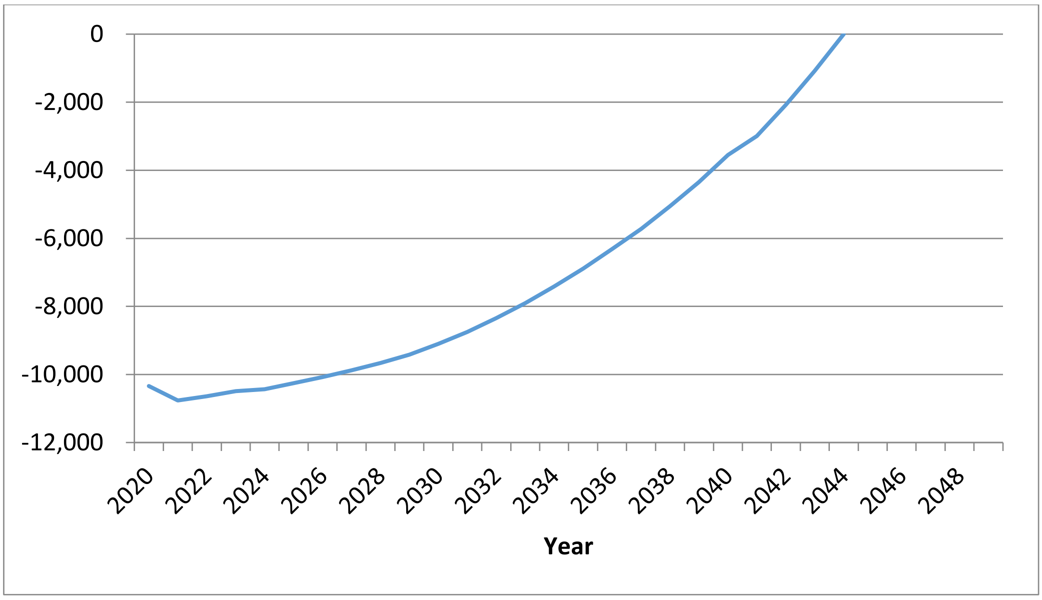
As a consequence of joint taxation with the Group's other companies, A/S Øresund obtains a cash-flow benefit. This is because joint taxation with A/S Storebælt means that A/S Storebælt can immediately utilise the tax losses in A/S Øresund towards paying the proceeds of the tax savings to A/S Øresund.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

The repayment period for A/S Øresund is calculated at 46 years, which is a reduction of one year compared to last year's financial statements. This is primarily due to the effect of a lower expected interest rate estimate, which is now based on the Ministry of Finance's latest long-term interest rate estimate. In counterbalance is 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 the downward adjustment of traffic revenues due to the Covid-19 pandemic.

The calculation of the repayment period is based on the dividend policy adopted in 2018.

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

A/S Øresund – expected debt development, DKK million

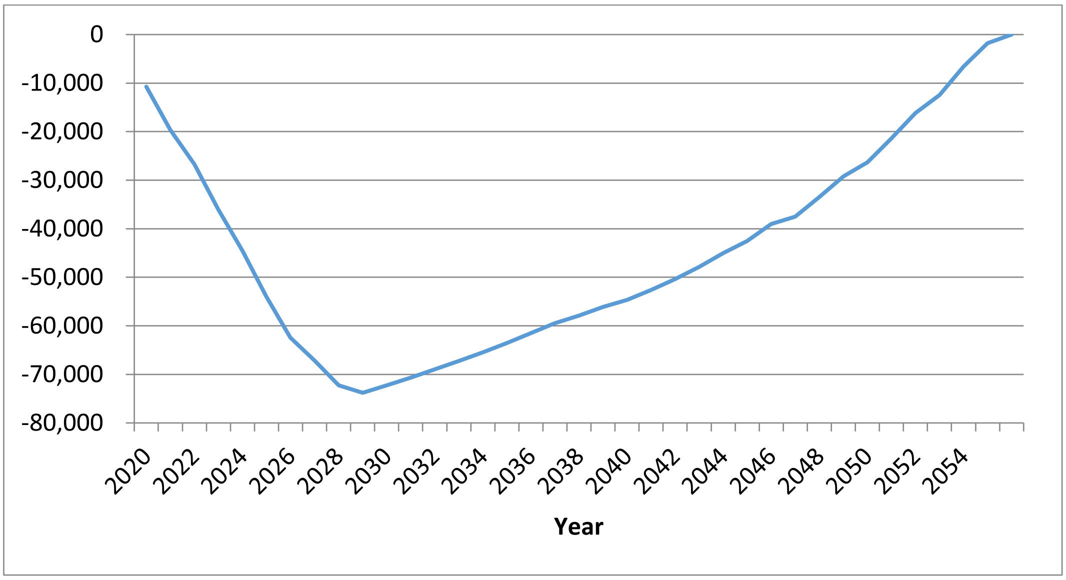


See more about Øresundsbro Konsortiet I/S's repayment period on page 30.

Profitability: the Fehmarnbelt project
On 7 December 2020, Femern A/S published a new financial analysis of the overall economy of the Fehmarnbelt project (the coast-to-coast link and the Danish landworks). The update is based on the EU Commission's decision on State Aid of 20 March 2020 concerning the financing of the Fehmarnbelt fixed link.

The analysis shows that the entire Fehmarnbelt project can be repaid 28 years after its opening, and that this marks an improvement of eight years compared to the most recent financial analysis from 2017. This is due to lower financing expenses as Femern A/S can obtain financing at a significantly lower real interest rate than originally assumed. The State Aid decision relates to the coast-to-coast link and contains conditions that the guarantee period is limited to the 16th year of operation, that a ceiling be introduced on the total state-guaranteed debt of DKK 69.3 billion and that Femern A/S pays a guarantee commission of 2 per cent.

Fehmarnbelt project – expected debt development, DKK million



Events after the balance sheet date

No events of significance to the Annual Report 2020 have occurred after the balance sheet date.

Outlook for 2021

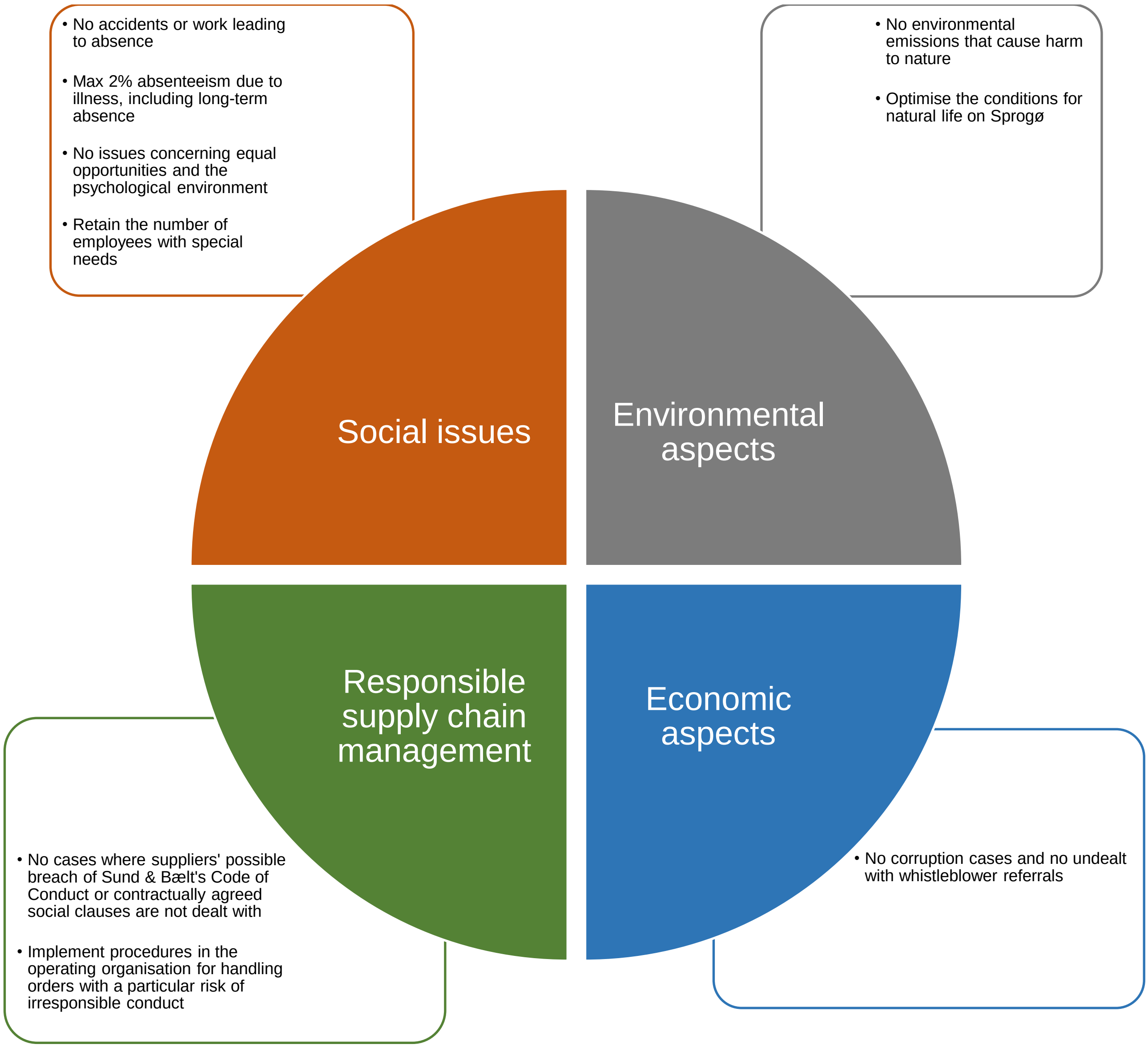
The expectations for the results for 2021 – based on the budget adopted in November 2020 – amount to a profit before fair value adjustments and tax in the order of DKK 1.8-2.0 billion. The budget incorporates the expected effects of the continued closure of workplaces and national borders in the first months of 2021. However, the uncertainty about the duration and extent of the restrictions caused by the Covid-19 pandemic and the subsequent reopening of society mean that the results for 2021 carry substantial uncertainty.

The uncertainty primarily relates to the traffic revenue from the road links across Storebælt and Øresund, while the uncertainty relating to financing expenses is assessed to be limited as interest rates and inflation are expected to remain at low levels for some time to come.

As regards the construction works and the Fehmarnbelt project, the company is in continuous dialogue with the contractors and the companies' other partners in order to limit any consequences on the physical activities undertaken on the Danish and German sides.

Targets for CSR work in 2021

The chart below shows the Group's CSR targets for 2021



Read more about Sund & Bælt's CSR targets for 2021 at www.sundogbaelt.dk/samfundsansvar

Business areas

Road

Storebælt – *Maintenance and reinvestments*
The company's maintenance strategy is based on long-term profitability, proactive preventive maintenance of all critical systems and the highest possible level of accessibility, availability and safety of road users. The importance of the maintenance strategy will become more evident as the infrastructure ages and wears, new technology enables optimisations and new environmental requirements require adjustments.

It is increasingly necessary to reinvest in the infrastructures, 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 work and investment projects in 2020 include painting of the East Bridge bridge girders and crack injection works in the tunnel.

Sund & Bælt updated its asset management system, Maximo, to handle the implementation of digital tools and analyse the large amount of new data. The project, which required considerable resources and commitment from across the operating organisation, succeeded in developing a strong asset management platform for the benefit of future digital operations. Moreover, it delivered a solution that can be used by similar infrastructure companies across the world.

Work to advance safety and accessibility on the road link continued throughout 2020. The work comprised the installation of remote-controlled mobile crash barriers at four points on the link. The first two were installed at the end of 2020. The second set will be installed at the start of 2021. A system to control traffic on the link when the crash barriers are deployed will also be installed. This includes a number of booms and variable road signs evenly spaced along the link. Moreover, work on automatic incident detection and measures in relation to wind-vulnerable vehicles will continue in 2021.

Traffic on the Øresund motorway
Like the rest of Denmark, traffic on the Øresund motorway was affected by the Covid-19 pandemic and we have to go back to 2006 to find similar low traffic figures. The Øresund motorway, however, 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.

Focus, therefore, is always on accessibility, availability and safety for road users when maintenance and reinvestments are carried out on this road section. Attempts were made to take advantage of the reduced traffic intensity to carry out more maintenance in the daytime, but despite the pandemic, traffic was so high that it was not possible to block off lanes during the daytime to any great extent.

Traffic on the Øresund motorway fell by 28.5 per cent in 2020 compared to 2019, corresponding to an average of 66,533 vehicles were driven west of Ørestad and 52,389 vehicles per day east of Ørestad. However, lorry traffic fell by just 8.8 per cent on the motorway.

Climate protection on Amager
The Ullerup dyke is complete and now provides protection against a 1,000-year storm surge event. Sund & Bælt has set up a stakeholder group that is looking into storm surge protection of the Kastrup peninsula, which has the lowest storm surge protection on Øresund Landanlæg

Digitalisation and data
Sund & Bælt continues to develop and improve inspections of its major infrastructure facilities using drones, cameras and sensors. This technology and the processes and procedures used for inspection and maintenance are being developed on an ongoing basis. The work will ensure better and cost-efficient inspections, the establishment of objective condition assessments and extended service life as well as a data basis for the establishment of predictive maintenance. Overall, the implementation of digital tools means a reduction

in maintenance costs and in CO_2 emissions over time due to the extension of the service life of, in particular, the concrete and steel structures.

Key figures, DKK million

Road – Storebælt	2020	2019
Revenue	2,578	2,916
Expenses	-211	-217
Depreciation	-238	-234
Operating profit (EBIT)	**2,129**	**2,465**
Financial items excl. value adjustments	28	27
Profit before financial value adjustments	**2,157**	**2,492**

Road – Øresund	2020	2019
Revenue	0	1
Expenses	20	-26
Depreciation	-31	-31
Operating loss (EBIT)	**-11**	**-56**
Financial items excl. value adjustments	-52	-59
Loss before financial value adjustments	**-63**	**-115**

For 2020, the expenses for the road - Øresund – include income of DKK 42 million relating to refunded VAT. Expenses, excluding the refunded VAT, amount to DKK 22 million.

Railway

New maintenance contract
A new common Group contract, which covers the maintenance of railway engineering systems and involved a change on contractors on 1 November, was agreed. The contract, which covers both Storebælt and Øresund railway lines, runs for four years after which it can be extended for up to four years.

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

Train traffic across Storebælt
The number of passenger trains across Storebælt's rail section totalled 39,586 in 2020, which is an increase of approximately 7 per cent compared to 2019 when 37,103 passenger trains crossed the link. As regards freight traffic, there were 8,779 trains in 2020 corresponding to an increase of approximately 4 per cent compared to 2019 when 8,474 trains crossed the link.

Punctuality
In 2020, the framework conditions for the operational impact of trains on Storebælt's railway were set at a maximum of 576 delayed trains. At year end, 505 delayed trains were recorded, which corresponds to approximately 88 per cent of the quota allotted to Sund & Bælt in 2020. Analyses of the identified faults are carried out on an ongoing basis with a view to preventing recurrences and to strengthen the system's reliability

and uptime. The number of faults in the ageing signalling system was the most significant factor in the statistics.

Øresund railway
The Øresund railway comprises both an 18 km rail section from Copenhagen Central Station to and including Kastrup Station at Copenhagen Airport, and a 6 km freight line from Ny Ellebjerg to Kalvebod Bridge.

Train traffic on the Øresund railway
The number of passenger trains on the Øresund railway in 2020 totalled 68,435 trains, which is a fall of approximately 32 per cent compared to 2019, when 100,601 passenger trains operated on the line. As regards freight train traffic, there were 7,300 trains in 2020 corresponding to an increase of approximately 1 per cent compared to 2019 when the number of trains on the Øresund railway totalled 7,205. The significant fall in passenger trains is explained by the difficulties that the Covid-19 pandemic brought about for train traffic between Copenhagen and Malmø.

Punctuality
The framework conditions for the operational impact of trains on the Øresund railway in 2020 were set at a maximum of 540 delayed trains. By year end, 233 delayed trains were reported, which corresponds to approximately 43 per cent of the quota assigned to Sund & Bælt.

In order to expand capacity on the Øresund line, a new station, Ny Kastrup Lufthavn Station (New Kastrup Airport Station) is planned north of the existing Copenhagen Airport Station with a view to establishing one directional operations so that eastbound trains can use the existing platform facilities while westbound trains will use new platform facilities that will be located by the tracks that are currently used for freight traffic in both directions.

Key figures, DKK million

Railway – Storebælt	**2020**	**2019**
Revenue	295	292
Expenses	-108	-109
Depreciation	-287	-291
Operating loss (EBIT)	-100	-108
Financial items excl. value adjustments	-200	-189
Loss before financial value adjustments	-300	-296

Railway – Øresund	**2020**	**2019**
Revenue	20	40
Expenses	-59	-73
Depreciation	-176	-192
Operating loss (EBIT)	-215	-225
Financial items excl. value adjustments	-107	-114
Loss before financial value adjustments	**-322**	**-339**

Ports and ferry services

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

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

As the operation of the Spodsbjerg-Tårs ferry service cannot be run on commercial terms, the task of operator of the service – following the tender in 2016 – is handled by Molslinjen A/S. A/S Storebælt covers the ongoing loss on this route.

For both routes, the Covid-19 pandemic significantly affected traffic. Molslinjen A/S, which operates out of the ports of Odden and Ebeltoft, saw a 28.0 per cent decline in the number of passenger cars on the Odden-Aarhus service compared to 2019. The Spodsbjerg-Tårs service saw a decline of 10.4 per cent for passenger cars and a decline for lorries and coaches of 5.1 per cent.

The operating subsidy for Spodsbjerg-Tårs amounts to DKK 33 million against DKK 39 million in 2019.

Key figures, DKK million

Ports	**2020**	**2019**
Revenue	30	28
Expenses	-6	-5
Depreciation	-13	-14
Operating profit (EBIT)	**11**	**9**
Financial items excl. value adjustments	-2	-2
Profit before financial value adjustments	**9**	**6**

Ferries	**2020**	**2019**
Revenue	0	0
Expenses	-33	-39
Depreciation	0	0
Operating loss (EBIT)	**-33**	**-39**
Financial items excl. value adjustments	0	0
Loss before financial value adjustments	**-33**	**-39**

Sund & Bælt Partner A/S

Sund & Bælt Partner A/S puts knowledge – on competitive terms – at the disposal of other infrastructure owners in Denmark and the rest of the world by providing consultancy, digital tools and unique insight into financing, construction, operations and maintenance of major infrastructure systems such as bridges, tunnels, railways and motorways.

The services are based on the bridge companies' 20 plus years of experience and knowledge, including the digital tools that have been developed to bring about quality and efficiency improvements in the operation of the Sund & Bælt Group's existing facilities. In order to be able to share knowledge to a greater extent than before, human know-how is converted into digital tools and services. We have thus made knowledge-sharing scalable and accessible to everyone. Sund & Bælt Partner A/S enters into partnership agreements aimed at developing methods and services that can optimise the operation of both Sund & Bælt Holding A/S's operating companies and other infrastructure operators across the world.

In 2020, Sund & Bælt Partner A/S entered into a partnership agreement with IBM on the development, sale and marketing of a customised Asset Management platform adapted to the needs of operators of bridges, tunnels, roads and railways around the world. The need and potential are deemed to be substantial. The aim is for these partnership agreements to translate into specific digital services and tools and have a positive effect on revenue for 2021.

The main activity for generating revenue for the company in 2020 was the sale of financial management services and traffic models. Revenue from this was on a par with revenue in 2019.

Key figures, DKK million

Sund & Bælt Partner	**2020**	**2019**
Revenue	5	5
Expenses	-5	-5
Depreciation	0	0
Operating profit (EBIT)	**0**	**0**
Financial items excl. value adjustments	0	0
Profit before financial value adjustments	**0**	**0**

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.

Brobizz A/S

Brobizz A/S ensures efficient and digital user payment for infrastructure that enhances mobility in Denmark and Europe, thus making it easy to be a driver. We focus on delivering a good, efficient and digital customer experience through a simple and well-functioning product that our customers can trust. We are also particularly focused on providing special services for haulage companies.

Brobizz A/S issues means of identification in the form of Bizz, Bizz for Europe and Number Plate Payment for user-paid infrastructure, ferries, airport parking and transport-related services. Brobizz A/S serves both light and heavy transport as well as private and business customers.

Brobizz A/S has sound experience with payment solutions across national borders. Bizz currently operates on toll roads, bridges and ferries in Denmark, the rest of Scandinavia and in Austria. Moreover, the Bizz solution is used for airport parking in Copenhagen and Billund.

The company's strategy is to be a competitive, digital and efficient company which, through strong collaboration and partnerships, offers relevant services for the benefit of the company's customers and owners.

In 2020, Brobizz A/S entered into partnership with ferry operators in Norway so that haulage customers are able to obtain favourable discount contracts through Bizz. The company also entered into a partnership agreement with Ålborg municipality regarding number plate payment on the Hals-Egense ferry service and the Egholm ferry.

Through Bizz for Europe, business customers have access to toll roads in eight countries in addition to Scandinavia. This is through collaboration with TelePass S.p.A.

In 2020, Brobizz A/S posted revenue of DKK 91 million corresponding to a fall of DKK 1 million compared to 2019. 2020 was a challenging year for the company with lower-than-expected revenue as a result of Covid-19. Throughout the year, focus was directed at adapting the company's cost level to lower activity levels by, for example, bringing forward projects focused on optimisation.

Key figures, DKK million

Brobizz	**2020**	**2019**
Revenue	91	97
Expenses	-73	-78
Depreciation	-18	-19
Operating profit (EBIT)	**0**	**1**
Financial items excl. value adjustments	-0	-0
Profit before financial value adjustments	**0**	**1**

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.

BroBizz Operatør A/S

BroBizz Operatør A/S was established in 2017 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 collection systems. The company thus utilises the substantial knowledge and experience with respect to the establishment and operation of toll systems, which have been accumulated in the Sund & Bælt Group from the construction and operation of the Storebælt fixed link.

BroBizz Operatør A/S operates the toll system at Kronprinsesse Mary's Bridge in Frederikssund and has done so since the bridge opened on 30 September 2019. For the last quarter of 2020 when real comparative figures with 2019 can be presented, there was an increase in traffic of almost 15 per cent.

The number of registered Fjordpay customers, who pay via local number plate subscription, increased by 132 per cent in 2020. This is due to the fact that local customers can see the benefit of signing up for a local subscription which is fully automatic and makes payment for passage easier.

Traffic volume was less affected by the Covid-19 pandemic than the rest of the road network, which may be due both to the amount of local traffic and the proximity to a holiday home area.

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

Key figures, DKK million

BroBizz Operatør	**2020**	**2019**
Revenue	6	21
Expenses	-8	-22
Depreciation	0	0
Operating loss (EBIT)	**-2**	**-1**
Financial items excl. value adjustments	0	0
Loss before financial value adjustments	**-2**	**-1**

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

Fehmarnbelt

The coast-to-coast link

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

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

In Germany, the Treaty was approved by legislation adopted 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 also constitutes 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 financial analysis of the overall Fehmarnbelt project, which was published in December 2020, the construction budget totals DKK 52.6 billion (2015 prices), including reserves of DKK 7.3 billion. There is also an extra reserve of DKK 2.5 billion.

Plan approval in Germany

German plan approval of the Fehmarnbelt project was issued on 31 January 2019. The Fehmarnbelt project is thus approved both politically and administratively in Germany.

An appeal against plan approval was lodged with the German Federal Administrative Court in Leipzig, which heard the complaints against plan approval in court hearings at the Federal Administrative Court in Leipzig between 22 September and 6 October 2020.

On 3 November 2020, the Federal Administrative Court in Leipzig ruled on the complaints against plan approval. The complaints were rejected following a thorough legal process, whereby the approval authority and Femern A/S responded to a broad range of questions from the court prompted by the complaints. This was the first time in recent years for the Federal Administrative Court to reject all complaints against German plan approval first time round.

The decision of the Federal Administrative Court of 3 November 2020 is final. German plan approval is valid in law and construction of the Fehmarnbelt tunnel can commence in Germany in 2021 in accordance with the overall timetable of the Fehmarnbelt project.

This represents the end of a long process whereby the Bundestag in Berlin, the federal authorities in Schleswig-Holstein and the German legal system have approved the Fehmarnbelt project and laid down the conditions for the implementation of the construction work.

In November 2020, Femern A/S and the federal state authorities in Schleswig-Holstein commenced work on the follow up of the court decision on the further construction process on the German side.

The Federal Administrative Court's legal and factual reasons for their decision of 3 November 2020 are expected to be made available at the beginning of 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 on the condition that construction work would only commence when final German plan approval had been obtained or when Denmark's Ministry of Transport so decides.

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 commencement of construction work in Denmark on the Fehmarnbelt link.

On 1 November 2019, the contract between Femern A/S and Fehmarn Belt Contractors (FBC), who are responsible for the construction of the work harbour at Rødbyhavn, the dredging of the tunnel trench in the Fehmarnbelt and the land reclamation, came into force. Thus, the tunnel project's construction phase commenced on the Danish side.

Construction of the work harbour east of Rødbyhavn is well underway. During 2020, over half of the 2 million tonnes of stone for the work harbour's breakwaters and dykes for the land reclamation were laid off the south coast of Lolland. The work harbour is expected to be completed before the end of 2021.

On 23 April 2020, the political parties behind the Fehmarnbelt project agreed on the commencement of construction contracts with Femern Link Contractors (FLC) with effect from 1 January 2021.

This sets in motion the planned construction programme contained in the contracts with FLC, who are to build the tunnel element factory, the tunnel itself as well as the portals and ramps within the construction budget of DKK 52.6 billion (2015 prices): The fixed link is expected to open in mid-2029.

The construction contracts with FLC comprise the following construction activities:

- Construction of the tunnel element factory at Rødbyhavn
- Construction of the tunnel portals and ramps at Rødbyhavn and Puttgarden
- Production and immersion of the 89 tunnel elements
- Establishment of accommodation and administration facilities
- Procurement of special marine tunnel equipment

On 1 January 2021, FLC begins the construction work on the Danish side with the building of the tunnel element factory at Rødbyhavn where the tunnel elements will be produced.

In the autumn or 2020, FLC commenced preparatory activities at Rødbyhavn, including geotechnical borings at the construction site, the construction of the infrastructure for the factory and the detailed design.

The decision of the German Federal Administrative Court on 3 November 2020 has provided the basis for implementing the remaining part of the construction contract with FBC with a view to starting the dredging of the tunnel trench between Rødbyhavn and Puttgarden. Discussions with FBC in this regard are ongoing.

Covid-19
Overall, the contractors for the Fehmarnbelt project have so far been able to complete their commissions and only a few activities have been challenged by the Covid-19 pandemic. In the expectation that social conditions as regards Covid-19 can return to normal in the near future, the impact in 2021 is not currently considered to be significant. Femern A/S maintains strong focus on all issues concerning the Covid-19 pandemic.

State subsidy
On 13 December 2018, the European Court of Justice ruled on the financing model for the Fehmarnbelt project. The ruling annulled the EU Commission's previous State aid approval of the financing of the coast-to-coast project from 2015.

On 20 March 2020, the EU Commission reached a new decision regarding approval of State aid for the financing of the Fehmarnbelt project. With the decision, an adjusted State subsidy model for the project was approved.

On the basis of the EU Commission's decision on State aid of 20 March 2020, Femern A/S drew up an updated, comprehensive financial analysis of the Fehmarnbelt project, which was presented in December 2020.

The financial analysis shows that the economics of the project are sound with a total repayment period for the Fehmarnbelt tunnel and the Danish landworks of 28 years after the opening.

Management of the construction phase
Femern A/S's work on the construction of the Fehmarnbelt fixed link is based on these management objectives: Time; Economy; Quality & Safety and Organisation.

The execution of the construction work follows procedures set out in the contracts, including those related to changes or disagreements between the contractors and Femern A/S.

The full launch of the construction phase on 1 January 2021 is based on several years of systematic preparation, testing and further development of Femern A/S's systems for handling the three main client tasks during the construction phase:

- *Management* of the contracts in relation to the main management objectives for the project.
- *Monitoring* the contractors' execution of the work in order that it meets all the requirements in Denmark and Germany.
- *Reporting*, information and communication on status and progress.

Management, monitoring and reporting in relation to the construction work are based on an implemented reporting concept, where Femern A/S continuously and systematically follows the development in the four main management objectives on the basis of specific Key Performance Indicators (KPIs) for each management objective:

- Timetable
- Construction budget
- Handling financial requirements and/or repayment of compensation (claim)
- Labour and social clauses
- Climate and environmental conditions etc.
- Working environment and sick leave, etc.

The reporting concept is based on that from the contractors on the project, who are contractually obliged to document compliance with the requirements in the contracts with Femern A/S and the company's own data on a monthly basis.

The KPIs are reviewed both in the divisions and across Femern A/S and are reported at Femern A/S's management meetings on a monthly basis.

Organisation
Femern A/S is a project organisation and is undergoing continuous development. Following the launch of the construction contracts, the structure follows the progress of the project, and firm focus remains on management, organisation, recruitment, retention and development.

Strategic recruitment work continued in 2020, and experienced employees were hired in all core areas of the client organisation. The company is experiencing great interest in the project during the process of attracting strong candidates from both home and abroad.

Retention of current employees is also important for the company because experience and in-depth knowledge of the construction contracts, regulatory approvals and other framework conditions in both Denmark and Germany are essential for the continued development and implementation of the project.

Economy
Femern A/S incurred costs totalling DKK 1,955 million in 2020. The assessed EU subsidy amounts to DKK 226 million and is offset against the total costs. Net additions are therefore DKK 1,729 million.

In 2020, the company financed its activities through EU subsidies and on-lending through Nationalbanken. Financing has been obtained for the coming years' borrowing requirements for the construction of the fixed link and, at the start of 2020, a total of DKK 11,750 million in on-lending had been raised in principle. The total loan financing at the end of 2020 is unchanged at a nominal DKK 11,744 million, while the fair value amounts to DKK 12,757 million.

The excess loan proceeds are invested in securities with a nominal value of DKK 6,632 million, which will be used for financing in the coming period. The net debt is nominally DKK 4,902 million, and DKK 5,860 stated as fair value.

Key figures, DKK million

Femern	2020	2019
Expenses	-2	-1
Depreciation	0	0
Operating loss (EBIT)	**-2**	**-1**
Financial items excl. value adjustments	0	0
Loss before financial value adjustments	**-2**	**-1**

Read more about the company's CSR policy and corporate social responsibility at: www.femern.com/da/About-us/CSR

Femern A/S is a 100 per cent owned subsidiary of A/S Femern Landanlæg. The company is covered by State guarantee.

A/S Femern Landanlæg

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. 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 in connection with a fixed link across the Fehmarnbelt. By 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 overall timetable for the Danish landworks means that Phase 1, which comprises the expansion and upgrading of the rail system from Ringsted to Nykøbing F, will be completed in 2021 – apart from electrification which will be completed in 2024. All major construction contracts relating to the work between Ringsted and Nykøbing F have been concluded and implemented and some have been completed. In 2020, the second of a total of three major track closures on the section was carried out so that all bridges are now ready for service. Of this, the completion of the new Masnedsund Bridge was the biggest task. In addition, four out of the six stations are finished, 90 per cent of the construction work carried out and 80 per cent of the track work executed.

In 2020, permission was granted at the political level to commence the structural design and preparatory construction works relating to Phase 2, which comprises the remaining section of the railway system from Nykøbing F to the coast-to-coast link, with an interface at the new station, Holeby.

An independent quality control of Femern Landanlæg's construction budget was carried out at the end of 2019. An Estimate-at-Completion (EAC) was undertaken as part of the report. This is based on costs already incurred plus planned future costs and a risk premium. It remains that the EAC, with 80 per cent probability, 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.

In the autumn of 2020, A/S Femern Landanlæg secured support from the EU for the Fehmarnbelt project of up to DKK 29 million for Phase 2 of the upgrading of the Danish rail system between Nykøbing F and Holeby. The support is specifically allocated to the Design and Project Planning of Phase 2 and amounts to up to 50 per cent of the estimated design and planning costs.

By the end of 2020, the company's capitalised construction expenses amount to DKK 4,024 million. This comprises project expenses of DKK 4,966 million offset by the EU subsidy of DKK 942 million.

The result for the year before financial value adjustments is a profit of DKK 408 million against a loss of DKK 3 million in 2019. The change covers the guarantee commission of DKK 411 million received from Femern A/S for the period 1 January 2019 - 31 December 2020 and is a consequence of the EU Commission's decision on the State aid matter.

Key figures, DKK million

Femern Landanlæg	**2020**	**2019**
Expenses	-3	-3
Depreciation	0	0
Operating loss (EBIT)	**-3**	**-3**
Financial items, excl. value adjustments	411	0
Profit/loss before financial value adjustments	**408**	**-3**

A/S Femern Landanlæg is a 100 per cent owned subsidiary of Sund & Bælt Holding A/S. The company is covered by State guarantee.

Øresundsbro Konsortiet I/S

In 2020, Øresundsbro Konsortiet I/S delivered a profit before value adjustment of DKK 801 million, which is a fall of DKK 480 million compared to last year. The decline in profits relates to the substantial fall in road revenue as a result of the Covid-19 pandemic.

More stringent entry requirements in the form of increased border controls and a travel ban to Sweden at the end of the year, increased home working and an absence of leisure travel meant that road revenue fell by approximately DKK 490 million compared to 2019 and thus totals DKK 985 million.

Total car traffic fell by 39.4 per cent compared to 2019. On average, 12,537 vehicles drove across the Øresund Bridge per day, with a total of 4.6 million vehicles over the year. March and April saw the biggest fall in traffic – around 60-70 per cent compared to the same period last year. From mid-May, traffic gradually began to increase again, and the recovery continued into late summer as the stricter entry requirements were partially lifted. However, as a result of the rise in infection and new restrictions, traffic declined again in the autumn.

Lorry traffic remained stable throughout the pandemic, with a marginal decline of 0.6 per cent compared to 2019. The market share for lorry traffic across Øresund is 58.7 per cent.

By contrast, passenger car traffic was strongly affected and fell by 41.7 per cent compared to 2019. Commuter traffic fell by 26.8 per cent, business traffic by 48.5 per cent and leisure traffic by 44.0 per cent. The market share for passenger cars across Øresund amounts to 85.3 per cent.

During the year, 4.6 million train passengers travelled across the Øresund Bridge according to preliminary calculations performed by the Øresund Bridge. This should be compared to 12.2 million train passengers in 2019.

EBIT amounts to a profit of DKK 923 million, which is a fall of approximately DKK 540 million compared to 2019.

Interest expenses for the year total DKK 122 million and are DKK 58 million lower compared to 2019, which is primarily due to the fact that inflation in Denmark and Sweden was lower than in 2019.

After expensing fair value adjustments of DKK 355 million, the annual profit totals DKK 446 million.

Equity was positive at DKK 3,087 million as at 31 December 2020.

The repayment period is unchanged at not more than 50 years from the opening in 2000, which means that the Øresund Bridge will be repaid by 2050.

In 2013, HH Ferries *et al* lodged a complaint with the EU Commission claiming that the Danish/Swedish State guarantees for the Øresundsbro Konsortiet I/S's loans etc. are illegal according to the EU's State Aid rules. In October 2015, the EU Commission ruled that the guarantees are covered by the State Aid rules, and they are in compliance with these rules. HH Ferries *et al* brought this before the European Court of Justice which reached a decision on 19 September 2018. This resulted in an annulment of the EU Commission's decision from 2015. The judgement does not state whether or not State Aid was illegal, only that the Commission had committed certain procedural errors. The Commission then launched a formal investigation procedure with a decision expected in 2020. This, however, turned out not to be the case, due, among other things, to the Covid-19 pandemic. It is not currently known when a new decision will be made available.

Øresundsbro Konsortiet I/S publishes an independent report on Corporate Social Responsibility and sustainable development, which is found at www.oresundsbron.com/da/info/csr-politik?q=samfundsansvar

Further details are available from Øresundsbro Konsortiet I/S'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.

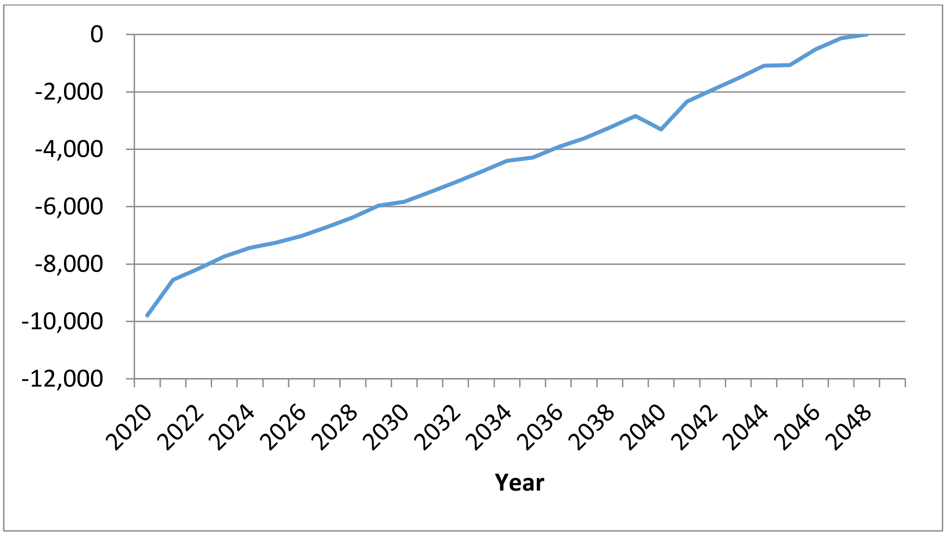
Key figures, DKK million

Øresundsbro Konsortiet I/S	**2020**	**2019**
Revenue	1,522	2,011
Expenses	-251	-261
Depreciation	-348	-290
Operating profit (EBIT)	**923**	**1.460**
Financial items excl. value adjustments	-122	-179
Profit before financial value adjustments	**801**	**1.281**
Financial value adjustments	-355	-426
Profit for the year	**446**	**855**
Group share of profits	**223**	**427**

Traffic development (%)

	2020	**2019**	**2018**
Øresund Bridge	-39.4	-0.7	-0.4

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



Corporate Social Responsibility

Sund & Bælt contributes to the creation of growth and cohesion in Denmark by operating a responsible business. The aim is to bring people and regions together in a way that balances respect for the economy, people and the environment in day-to-day operations. A safe and efficient traffic flow lies at the core of the Group, 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 day-to-day work.

The Fehmarnbelt construction project has an ambitious CSR policy, which has been implemented for the construction phase. For details of this, please refer to Femern A/S's Annual Report 2020. Of particular significance is the fact that in 2020, a working paper for the Fehmarn tunnel project was issued for a climate strategy which sets climate targets for the tunnel scheduled to become operational in 2029.

Sund & Bælt has joined the UN's Global Compact and through its membership is required to respect, comply and work with its 10 principles. 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 conservation 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.

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

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

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

The most significant risk of corruption is deemed to arise from procurement. Detailed guidelines concerning the receipt of gifts by employees, personal and close relations' financial interests, political donations and sponsorships have been drawn up to tackle this issue. We also address anti-corruption and transparency by running a whistleblower scheme, prioritising access requests and having zero-tolerance targets for corruption and complaints from the authorities.

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

CSR targets and results
By and large, all targets for 2020 were met, see below for details and the chart on the following page.

Social issues
We did not increase but nevertheless maintained the number of employees with special needs in 2020. Sund & Bælt was particularly focused on offering veterans the chance to return to the labour market.

We also maintained our low level of absenteeism due to illness from previous years: the figure was 1.2 per cent for 2020.

Shortly after the lockdown in March 2020, Sund & Bælt decided to support the fight against Covid-19 by providing almost 1,000 passages across Storebælt for the transport of materials used in the production of hand sanitiser.

The company's CSR policy includes respect for human rights. The greatest risk in terms of people's lives and health relates to our employees and contractors when working on Sund & Bælt's infrastructure. In particular, work involving special risks from high-speed trains, motorway traffic and working at height. How we minimise this work is described in further detail in the section entitled Environment and Climate.

In our ongoing work to ensure respect for human rights, we continue to strengthen supply chain management with particular focus on human rights. See the section on responsible supply chain management below.

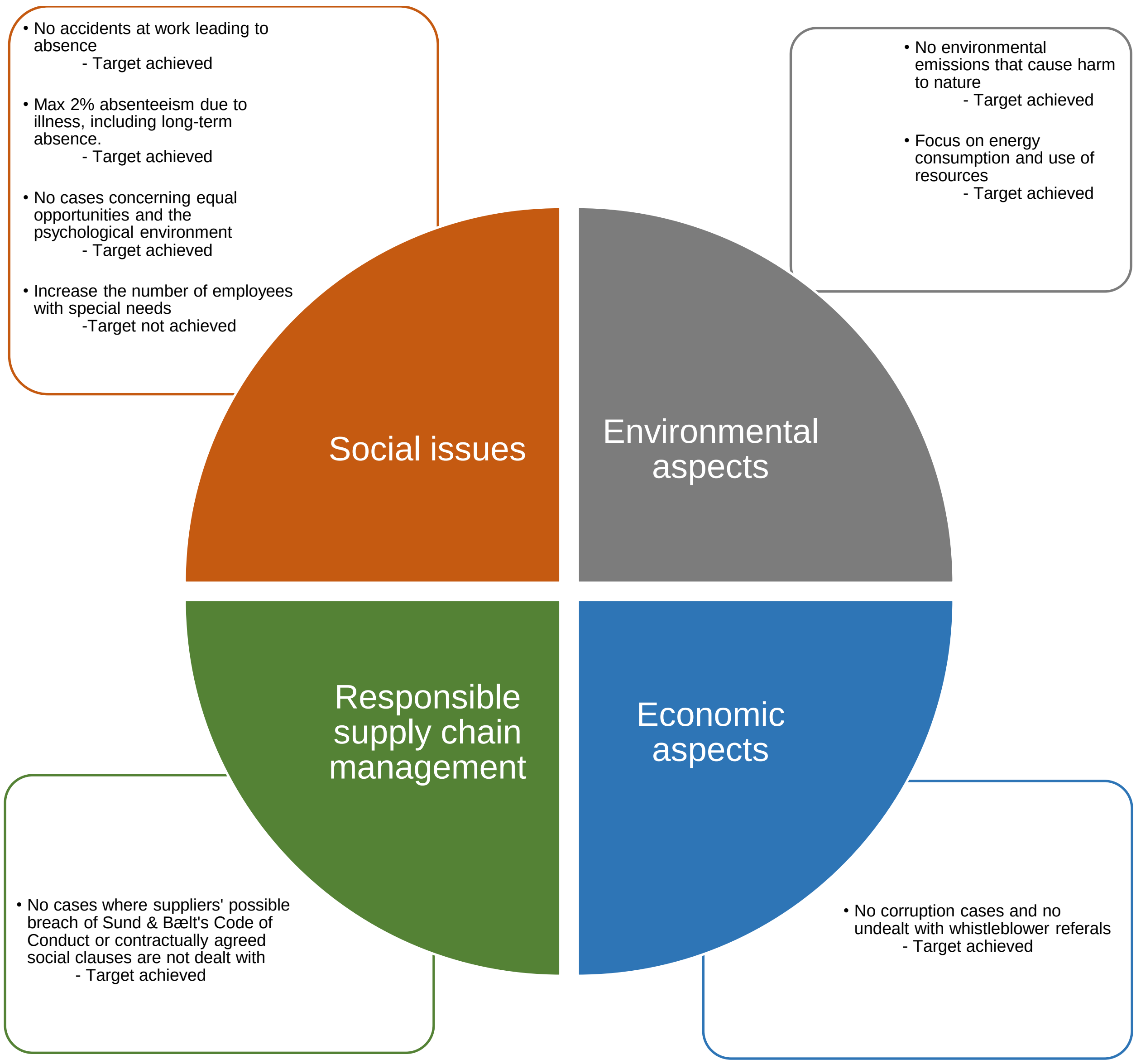
Environmental aspects
All vehicles now in operation are electric and charging stations have been installed for employees who drive electric vehicles. 2020 saw strong focus on the development of the natural environment on Sprogø. Veterans are helping to implement new procedures for nature conservation to encourage more natural life. This includes reduced grass cutting and allowing garden waste and dead trees to decompose.

Economic aspects
There were no corruption cases or cases of fraud in 2020. There was one error reporting under the whistleblower scheme relating to customer handling, but otherwise no whistleblower cases.

Responsible supply chain management
In 2020, there were no cases involving breaches of either our Code of Conduct or social clauses.

In 2021, we will implement a procedure in the operating organisation which particularly focuses on the handling of orders with a risk of irresponsible behaviour in a social, environmental or financial sphere. Potential suppliers must explain how they guard against issues such as slave labour, discrimination, harm to the natural environment, corruption, etc.

Targets and results for CSR work in 2020



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

Corporate Governance

Sund & Bælt Holding A/S is a state-owned public limited company. The shareholder – in the form of 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 justified by 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, including diversity requirements. 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 the Board of Directors comprises three females and six males, corresponding to a 33/67 per cent representation of 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 2020.

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 2020 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.

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 Group 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 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.

The work to promote safety and accessibility on the Storebælt road link continued throughout 2020 and will continue in 2021. This includes mobile crash barriers to bypass accidents that block traffic, increased signage and improved incident detection.

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 2019, the dykes on Sprogø were raised, and similar projects have been planned for the facilities at Knudshoved and Halsskov. With regard to the Øresund railway and the Øresund motorway, a number of dykes have already been installed 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 has been at the forefront of establishing additional storm surge protection on the easternmost part of Amager and has set up a stakeholder group that is looking into storm surge protection of the Kastrup peninsula, which currently has the lowest protection against storm surges on Øresund Landanlæg.

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.

To address the environmental risks associated with the implementation of construction and operations, this is covered by regulatory and planning procedures and subsequently in the execution of the work as well as ongoing control and follow-up. Examples of such risks include the impact on the aquatic environment.

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.

The development in 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 financial statements 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.

In 2020, the consultancy, MOE, carried out a study for Sund & Bælt into how the establishment and operation of the infrastructure facility and the way in which we manage nature on Sprogø has impacted Sprogø's nature values. Experience has gradually been gained that is of significant value to Sprogø's further management. In their report MOE writes:

"Sprogø is a gem of nature with many exciting species of flora and fauna. Since the end of the construction phase, there has been a generally positive development in its nature to which Sund & Bælt's nature conservation has significantly contributed."

Key figures for selected environmental indicators

	2020	2019	Trend
Waste volume (tonnes)	1,308	1,365	↓
Water consumption (m^3)	9,984	11,222	↓
Water discharge (million m^3)	3.5	3.5	→
Electricity consumption (million kWh)	9. 8	9.9	→
CO_2 emissions (tonnes)	5,112	5,158	→

The volume of waste was slightly lower in 2020 compared to 2019. Due to Covid-19, activity levels were slightly lower. Many office-based employees worked from home, which may have impacted the volume of waste.

Water consumption in 2020 fell by more than 1.2 million m^3, corresponding to an 11 per cent reduction. This was due to the mild weather in 2020, which reduced the use of salt. A mixture of salt and water is spread on the roads during icy weather. Water consumption at Vester Søgade was also much lower in 2020 compared to 2019 due to the fact that many employees worked from home.

The company's total CO_2 emissions showed a slight reduction in 2020 compared to 2019. CO_2 emissions include Sund & Bælt's total use of fuel, electricity and natural gas. As 2020 was a mild winter, there was less salting and snow clearance. The use of electricity in offices was also lower. The number of kilometres covered by employees for work reasons was also lower as many meetings were held virtually, which impacted fuel consumption.

Sund & Bælt converted all company vehicles from petrol to electricity in December 2020. Electricity consumption is therefore expected to increase in future and fuel consumption is expected to be reduced accordingly.

The volume of discharged groundwater, rain and drainage water was the same in 2020 as it was in 2019. Most of the water is groundwater pumped away to keep the facilities dry. The volume of rain and drainage water usually varies from year to year. That the figures for both years are identical is a coincidence.

Priority on the working environment
The health and safety of our many employees on Sund & Bælt's infrastructure has high priority. The size and layout of the facilities as well as the traffic itself require constant focus on our contractors' and employees' working environment: the most significant working environment risk is serious personal injury sustained when working on our facilities. It should be safe and secure for everyone to work anywhere on the facilities whether carrying out inspections or operational and maintenance tasks. Everyone who is required to work on Sund & Bælt's infrastructure must have passed a compulsory safety course. The course is on-line based and can be taken from anywhere with internet coverage. In order to maintain and improve working environment standards, Sund & Bælt's Technical Department, which is responsible for the operation and maintenance of most of our facilities, is in the process of converting its previous OHSAS 18001 certification to ISO 45001 working environment certification. The certification will ensure, by means of external auditing, that any deviation from the current working environment legislation, for example, is identified and rectified.

To ensure the best possible working environment for people carrying out largescale operations and maintenance work on the Storebælt Bridge's motorway, parts of the road can be blocked to traffic by new mobile crash barriers. These will ensure that work is carried out safely and without interruption while traffic flows in two directions on the other side of the central reservation. Most of the operations and maintenance work on the railway facilities is carried out at night as this causes least disruption. Here it is possible to block one rail track at a time so that the necessary work can be carried out. However, a considerable amount of planning is required as the work has to be completed before the start of morning traffic. Often, due to the limited working time, many teams will be at work at the same time, which requires careful planning both for logistical reasons and for the sake of those working in the tunnel.

For the second year running, no accidents involving absence from work were reported at Sund & Bælt's facilities, workshops and offices in 2020.

Traffic safety on the road link
One of Sund & Bælt's objectives is that it must be at least as safe to drive on the motorway section 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 2020, there was one accident on the Storebælt fixed link resulting in one serious injury and 0 accidents on the Øresund motorway involving personal injury (preliminary calculations).

Sund & Bælt is seeing an increasing number of vehicle collisions with road barriers. There were nine incidents in 2020 where the equipment used for blocking traffic was hit by passing lorries. In an attempt to reduce the number of collisions, Sund & Bælt has introduced a new procedure whereby rumble strips are used to alert drivers to the upcoming hazard.

Since 2019, Sund & Bælt has been working on a project aimed at creating greater accessibility by establishing mobile crash barriers which can be deployed in the event of an accident so that traffic can flow in both directions in either the westbound or eastbound lane. The mobile barriers were installed in December 2020 and testing is underway.

In 2020, the Storebælt Bridge was closed to all traffic for just one hour – including a total 40 minutes when the bridge was closed on two occasions at night in December to test the new mobile crash barriers. In addition, there were a total of 16 closures in one direction lasting just over 15 hours. The 11 closures were due to traffic accidents, and four closures, which lasted a total of 1.5 hours, were in order to test the new mobile crash barriers. One accident stands out from the others in that a burning lorry in the emergency lane on the high bridge and loaded with flammable liquid in glass bottles resulted in a fully blocked off lane for more than 4.5 hours in the westbound direction.

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 eiders, sandwich terns and little terns.

Little terns breed along the water's edge on the eastern reef, which means that nests are often flooded and destroyed. Only one breeding pair was observed in 2020. The size of Sprogø's breeding population fluctuates considerably as little terns move between different locations: in certain years, they breed in West Zealand instead. Eiders forage in the sea around Sprogø. The population here is stable and 250 breeding pairs have been counted. As their food depends on the sea, this is 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 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 has 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 thought 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 under 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 cannot not be damaged or destroyed.

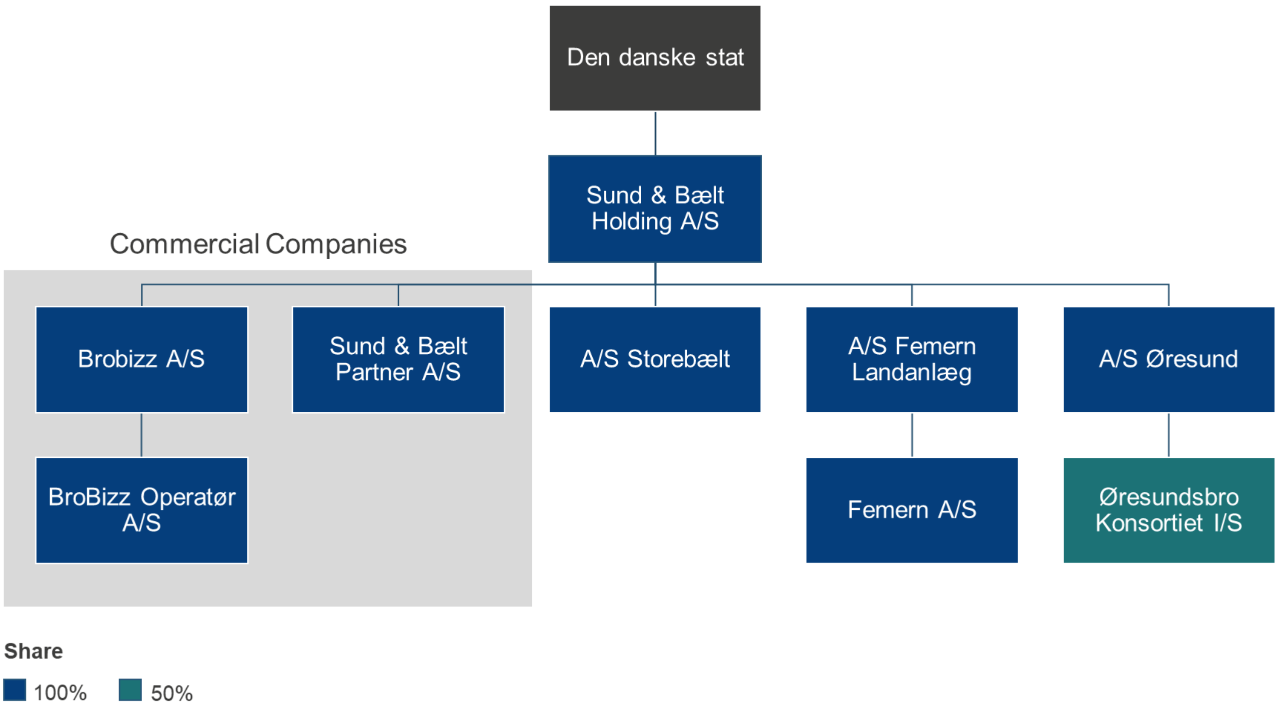
As part of the nature monitoring programme on Sprogø, an inventory of the green toad is carried out periodically. In 2018, the population was estimated at approximately 2,400 individuals of which 1,600 live on Gl. Sprogø. In the period prior to the opening of the Storebælt fixed link, the number was 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 remains a priority. The next population count is planned for 2021.

About Sund & Bælt Holding

Shareholder information

Sund & Bælt Holding A/S is a limited company based in Denmark. Sund & Bælt Holding A/S is the parent company of the Sund & Bælt Group. The entire share capital of Sund & Bælt Holding A/S is owned by the Danish State.

Group overview



Main activity

The Sund & Bælt Group's primary responsibility is to own and operate the fixed links across Storebælt and Øresund and to build, own and, in time, operate the fixed link cross the Fehmarnbelt. For the links commissioned already, these responsibilities are carried out with due regard for maintaining high levels of accessibility and safety. The construction of the Fehmarnbelt link is based on defined targets as regards time, safety, quality and the economics of the project. 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 Bizz and number plate payment, 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.

The Sund & Bælt Group's tasks are to:

- Operate and maintain the road link across the Storebælt bridge;
- Collect payment from motorists using the Storebælt bridge;
- Monitor and maintain Storebælt's rail section;

- Operate and maintain the Øresund motorway;
- Monitor and maintain the Øresund railway;
- Collect fees from Banedanmark for the right to use the Øresund railway on Amager and the rail link across Storebælt;
- Manage and ensure repayment of A/S Storebælt's and A/S Øresund's debt portfolio;
- Manage the part ownership of Øresundsbro Konsortiet I/S;
- Operate and maintain the port facilities at Odden, Ebeltoft, Spodsbjerg and Tårs;
- Be responsible for the planning, feasibility studies and construction works for the coast-to-coast link for the fixed link across Fehmarnbelt;
- Be responsible for the ownership and financing of the Danish landworks in connection with the Fehmarnbelt fixed link;
- Be 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;
- Provide client and operator consultancy in relation to primarily largescale international infrastructure projects on a commercial basis;
- Function as operator of payment collection systems for user-financed infrastructure in Denmark through BroBizz Operatør A/S.

Employees

Sund & Bælt Holding A/S has 316 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 and Brobizz A/S. The employees are divided as follows: 145 work on operational matters, 120 work on the Femern A/S construction project and 51 who are employed by the issuer organisation, Brobizz A/S.

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

Employees

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 want 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 at management levels
Sund & Bælt sees diversity in management as a strength that contributes positively to our work and management strength. 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.

Every year, all staff are invited to discuss their development potential, including management development opportunities. 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.

Results 2020

The company is subject to the requirement to report on gender representation at top management levels. In each of the subsidiaries, the boards in question have achieved equal representation and consequently have no need to report on target figures as a result. Sund & Bælt 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 director level is the same as in 2019. Thus, there were no female directors employed at the end of 2020. The proportion of women at other management levels was 36 per cent in 2020. This is slightly lower compared to 2019 when it stood at 42 per cent and thus follows the overall development of gender representation in the Group.

Sund & Bælt remains committed to retaining a high proportion of women in management positions. Leadership development opportunities are discussed at the annual performance review. If two candidates for a vacancy are equally qualified, gender representation is taken into account.

In 2020, Sund & Bælt continued to focus on absenteeism due to illness. From the key figures below, it can be seen that absenteeism due to illness declined in 2020 and amounted to 1.2 per cent. By comparison, the rate of absenteeism was 1.6 per cent in 2019. This is an excellent result in which we take pride.

Sund & Bælt Group	**2020**	**2019**
Number of employees	316[1)]	293[1)]
Gender representation		
- Female	38 %	42 %
- Male	62 %	58 %
Gender representation, Directors		
- Female	0 %	0 %
- Male	100 %	100 %
Gender representation, other management levels		
- Female	36 %	42 %
- Male	64 %	58 %
Educational background		
- Higher	53 %	52 %
- Intermediate	25 %	26 %
- Basic	22 %	22 %
Staff turnover	13.1 %	10.4 %
Average age	46	46
Training per employee	DKK 9,495	DKK 10,293
Absenteeism due to illness (incl. long-term sickness)	1.2 %	1.6 %

[1)] Note: The number of employees is calculated according to the headcount method. The figures do not include student assistants.

Board of Directors, Management Board and Senior Executives

Board of Directors

Peter Frederiksen
Director
Chairman since 2016
Joined the Board of Directors in 2016
Election period expires in 2022

Other offices held
Board member of:
Øresundsbro Konsortiet I/S (vice-chairman)
A/S United shipping & Trading Company
Bunker Holding A/S
Uni-Tanker A/S

Areas of expertise
Management within large transport and logistics companies. Has particular expertise within strategy and analysis.

Jørn Tolstrup Rohde
Director
Vice-Chairman since 2017
Joined the Board of Directors in 2017
Election period expires in 2021

Other offices held
Chairman of:
3C Groups A/S
Blue Ocean Robotics A/S
Facit Bank A/S
Green Food Holding A/S

Board member of:
Øresundsbro Konsortiet I/S
Marius Pedersen Holding A/S
Løgismose Meyers A/S
Dinex A/S
Fynsk Erhverv
Odense Robotics

Areas of expertise
Management within large international production and logistical companies. Has particular expertise within strategy, finance, marketing and NGOs.

Claus Jensen
Union president, Danish Metal Workers' Union
Joined the Board of Directors in 2014
Election period expires in 2021

Other offices held
Chairman of:
CO-industri
Industrianställda i Norden, IN

Board member of:
IndustriALL – European Trade Union (vice chairman)
EUROPA think tank
Øresundsbro Konsortiet I/S
European Workers Participation Fund, EWPF
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 Råd
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)
TeknologipagtRådet
Danmarks Erhvervsfremmebestyrelse
The Trade Unions' Main Organisation– FH
AKF Holding
AlsFynBroen
E-20 Komitéen
Green Business Forum
Climate Partnership
Vestjysk Bank

Areas of expertise
Management within Danish Metal Workes' Union. In-depth understanding of social and labour market conditions, the collective bargaining system and strong negotioation skills.

Walter Gustav Christophersen
Independent businessman
Joined the Board of Directors in 2011
Election period expires in 2021

Areas of expertise
Many years' experience from the private sector and politics. Has particular expertise within business, traffic and societal issues.

Ruth Schade
Joined the Board of Directors in 2016
Election period expires in 2022

Other offices held
Board member of:
Harboes Bryggeri A/S
Harboe Ejendomme A/S
Keldernæs A/S
Visbjerggården A/S
Danfrugt Skælskør A/S

Areas of expertise
Business strategy, finance and corporate and contractual matters as well as investor relations

Lene Lange
COO, Bricks A/S
Joined the Board of Directors in 2016
Election period expires in 2022

Other offices held
Chairman of:
Nordic Waste A/S

Board member of:
Value Advice ApS
PatentCo ApS
The independent institution Aarhus Jazz Orchestra

Areas of expertise
Management of law firms and within legal advice and project management in public-private partnerships.

Erik Skotting
Director, Metroselskabet & Hovedstadens Letbane
Joined the Board of Directors in 2021
Election period expires in 2023

Areas of expertise
Many years' experience from the building & construction sector, much of which in senior executive positions – in the building contractor sector and as the client on mega projects. This includes Design Manager/Project Manager at Øresundsbrokonsortiet for the immersed tunnel section of the fixed link across Øresund. Divisional Director at MT Højgaard A/S. Since 2010, Executive Director at Metroselskabet and Hovedstadens Letbane with responsibility for the companies' building & construction activities, comprising Cityringen, the metro to Nordhavn, the metro to Sydhavn and the light railway from Lundtofte to Ishøj.

Susanne J. Monferré
Vice President, Ørsted
Joined the Board of Directors in 2021
Election period expires in 2023

Areas of expertise
High level of expertise in strategic procurement from the transport, building contractor and energy sectors. Strong track record in senior executive positions and in leadership roles. Experience from implementing various cost-out and efficiency programmes in private and semi-public companies.

Michael Hannibal
Partner, Copenhagen Infrastructure Partners (CIP)
Joined the Board of Directors in 2021
Election period expires in 2023

Other offices held
Board member of:
Systematic A/S
Micro Matic A/S

Areas of expertise
More than 26 years' experience in engineering, infrastructure and energy projects, including offshore energy and construction projects. Strong insight into different contract models, including joint ventures and consortia. Management experience from position as CEO Offshore Wind at Siemens Wind Power and Partner in Copenhagen Infrastructure Partners.

Martin Duus Havelykke
Elected by employees
Operations Manager, Construction and Landworks
Joined the Board of Directors in 2013
Election period expires in 2021

Christina Bendixen Würtz
Elected by employees
Safety Manager, railway and auditor
Joined the Board of Directors in 2017
Election period expires in 2021

Jens Villemoes
Elected by employees
Head of Media Relations
Joined the Board of Directors in 2017
Election period expires in 2021

Management Board

Mikkel Hemmingsen
CEO of:
Sund & Bælt Holding A/S

Chairman of:
Femern A/S
A/S Storebælt
A/S Øresund
A/S Femern Landanlæg
Brobizz A/S
Brobizz Operatør A/S
Sund & Bælt Partner A/S

Board member of:
Øresundsbro Konsortiet I/S

Claus F. Baunkjær
Director of:
Sund & Bælt Holding A/S

CEO of:
Femern A/S

Senior executives

Finance Department
Mogens Hansen
CFO

CEO of:
A/S Storebælt
A/S Øresund
A/S Femern Landanlæg

Board member of:
A/S Storebælt
A/S Øresund
A/S Femern Landanlæg
Femern A/S
Sund & Bælt Partner A/S
Brobizz A/S
BroBizz Operatør A/S

Treasury Department
Kaj V. Holm
Treasury Director

Vice CEO and CFO of:
Øresundsbro Konsortiet I/S

Board member of:
KommuneKredit
Rønne Havn A/S

Technical Department
Lars Fuhr Pedersen
Technical Director

Company Secretariat
Louise Friis
Chief Legal Officer

Vice-chair of:
A/S Storebælt
A/S Øresund
A/S Femern Landanlæg
Femern A/S
Brobizz A/S
BroBizz Operatør A/S
Partner A/S

Technical Department
Bjarne Jørgensen
Asset Management Executive Director

Sund & Bælt Partner A/S
Bjarne Jørgensen
CEO

Brobizz A/S
Henrik Heller Esberg
CEO with effect from 1 January 2021

Kasper Ørtvig
CEO until 31 December 2020

BroBizz Operatør A/S
Ole Lykke Christiansen
CEO

Femern A/S
Claus F. Baunkjær
CEO

Financial statements

Comprehensive income statement 1 January – 31 December

(DKK million)

Sund & Bælt Holding A/S				Sund & Bælt Group	
2019	**2020**	**Note**		**2020**	**2019**
			Net revenue		
127	159	4	Net revenue	2,969	3,304
127	**159**		**Total net revenue**	**2,969**	**3,304**
			Expenses		
-55	-97	5	Other external expenses	-335	-399
-110	-111	6	Staff expenses	-146	-143
38	58		Other operating income	63	55
-32	-50	7	Depreciation, amortisation and writedowns	-811	-798
-159	**-200**		**Total expenses**	**-1,229**	**-1,285**
-33	**-41**		**Operating profit/loss (EBIT)**	**1,740**	**2,019**
		8	**Financial items**		
1,600	1,600		Dividends received from participating interests	0	0
1	6		Financial income	125	1
0	-2		Financial expenses	-455	-338
8	-2		Value adjustments, net	-1,675	-2,167
1,609	**1,602**		**Total financial items**	**-2,004**	**-2,504**
1,576	**1,561**		**Profit/loss before inclusion of share of results in jointly managed company**	**-264**	**-485**
0	0		Share of results in jointly managed company	223	427
1,576	**1,561**		**Profit/loss before tax**	**-41**	**-57**
5	7	9	Tax	-82	9
1,581	**1,568**		**Profit/loss**	**-123**	**-48**
0	0		Other comprehensive income	0	0
0	0		Tax on other comprehensive income	0	0
1,581	**1,568**		**Comprehensive income**	**-123**	**-48**

Balance sheet 31 December – Assets

(DKK million)

Sund & Bælt Holding A/S				Sund & Bælt Group	
2019	**2020**	**Note**	**Assets**	**2020**	**2019**
			Non-current assets		
			Intangible assets		
131	158	10	Software	201	168
131	**158**		**Total intangible assets**	**201**	**168**
			Property, plant and equipment		
0	0	11	Road link	17,191	16,850
0	0	12	Rail link	21,942	20,753
0	0	13	Port facilities	170	181
0	0	14	Land and buildings	84	91
11	16	15	Other fixtures and fittings, plant and equipment	69	55
81	61	16	Lease assets	61	81
92	**77**		**Total property, plant and equipment**	**39,517**	**38,011**
			Other non-current assets		
0	0	17	Loan to contractor	174	137
976	976	18	Participating interest in subsidiaries	0	0
0	0	19	Participating interest in jointly managed company	1,544	1,321
316	214	23	Deferred tax	0	0
1,292	**1,190**		**Total other non-current assets**	**1,718**	**1,458**
1,516	**1,424**		**Total non-current assets**	**41,437**	**39,636**
			Current assets		
			Receivables		
0	0	17	Loan to contractor	91	0
232	115	20	Receivables	920	592
0	0	24	Securities	10,674	11,872
0	0	24	Derivatives	2,198	2,341
78	102	9	Corporation tax	0	0
12	32	20	Prepayments and accrued income	1,018	844
322	**249**		**Total receivables**	**14,900**	**15,650**
18	**97**		**Cash at bank and in hand**	**555**	**518**
340	**345**		**Total current assets**	**15,455**	**16,168**
1,856	**1,770**		**Total assets**	**56,892**	**55,804**

Balance sheet 31 December – Equity and liabilities

(DKK million)

Sund & Bælt Holding A/S				Sund & Bælt Group	
2019	**2020**	**Note**	**Equity and liabilities**	**2020**	**2019**
			Equity		
355	355	22	Share capital	355	355
431	620		Retained earnings	-4,661	-3,380
786	**975**		**Total equity**	**-4,528**	**-3,025**
			Liabilities		
			Non-current liabilities		
0	0	23	Deferred tax	895	873
666	661	24	Bond loans and amounts ow ed to credit institutions	50,538	47,440
61	41	16	Lease liabilities	41	61
727	**701**		**Total non-current liabilities**	**51,474**	**48,374**
			Current liabilities		
0	0	24	Current portion of non-current liabilities	3,266	4,995
0	0	24	Credit institutions	33	30
20	20	16	Lease liabilities	20	20
0	0		Corporation tax	22	0
322	73	27	Trade and other payables	625	614
0	0	24	Derivatives	5,567	4,331
0	0	28	Accruals and deferred income	412	464
342	**94**		**Total current liabilities**	**9,945**	**10,455**
1,069	**795**		**Total liabilities**	**61,419**	**58,829**
1,856	**1,770**		**Total equity and liabilities**	**56,892**	**55,804**

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	261	616	**Balance at 1 January 2019**	355	-1,921	-1,566
0	-1,411	-1,411	Dividend paid	0	-1,411	-1,411
0	1,581	1,581	Profit/loss for the year and comprehensive income	0	-48	-48
355	**431**	**786**	**Balance at 31 December 2019**	**355**	**-3,380**	**-3,025**
355	431	786	**Balance at 1 January 2020**	355	-3,380	-3,025
0	-1,380	-1,380	Dividend paid	0	-1,380	-1,380
0	1,568	1,568	Profit/loss for the year and comprehensive income	0	-123	-123
355	**620**	**975**	**Balance at 31 December 2020**	**355**	**-4,883**	**-4,528**

Cash flow statement 1 January – 31 December

(DKK million)

Sund & Bælt Holding A/S				Sund & Bælt Group	
2019	**2020**	**Note**		**2020**	**2019**
			Cash flow from operating activities		
-33	-41		Operating profit/loss (EBIT)	1,740	2,019
			Adjustments		
32	50	7	Depreciation, amortisation and writedowns	811	798
78	102	9	Joint taxation contribution	-22	0
-2	0		Adjustment for other non-cash items	0	-2
75	**110**		**Cash flow from operations (operating activities) before change in working capital**	**2,530**	**2,815**
			Change in working capital		
-46	90		Receivables and prepayments	-525	-208
-466	-237		Trade and other payables	197	272
-437	**-37**		**Total cash flow from operating activities**	**2,201**	**2,879**
			Cash flow from investing activities		
1,600	1,600		Dividend from subsidiaries and associated companies	0	0
-105	-53	10	Acquisition of intangible assets	-70	-117
-1	-48	11-15	Acquisition of tangible fixed assets	-3,025	-1,976
0	0	11-15	Sale of property, plant and equipment	420	18
0	0	17	Non-current loans	-128	-137
0	0		Purchase of securities	-695	-7,091
0	0		Sale of securities	1,791	265
1,494	**1,499**		**Total cash flow from investing activities**	**-1,707**	**-9,038**
1,057	**1,462**		**Free cash flow**	**494**	**-6,159**
			Cash flow from financing activities		
676	0		Other non-current liabilities incurred	6,422	14,027
-300	-2		Redemption and repayment of non-current liabilities	-4,931	-6,586
0	0		Raising of loans at credit institutions	33	5
0	20		Debt reduction with credit institutions	-314	0
0	0		Interest income, received	82	0
-16	-1		Interest expenses, paid	-577	-537
0	0		Received EU subsidy	228	322
-20	-20		Repayment of lease liabilities	-20	-20
-1,411	-1,380		Paid dividend to shareholder	-1,380	-1,411
-1,071	**-1,383**	24	**Total cash flow from financing activities**	**-458**	**5,801**
-14	**79**		**Change for the period in cash and cash equivalents**	**36**	**-358**
31	18		Opening cash and cash equivalents	518	876
17	**97**		**Closing cash and cash equivalents**	**555**	**518**

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 2020 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 2020 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.

The balance sheet presents joint taxation contribution due and receivable under assets and liabilities, respectively. This is in contrast to previously when joint taxation contribution due and receivable was included in balances with affiliated company and presented in the Note: Trade and Other payables.

The balance sheet presents accrued interest in respect of financial instruments under prepayments and accrued income and accruals and deferred income. This is in contrast to previously when accrued interest in respect of financial instruments was included in receivables as well as trade and other payables.

The accounting policies for net revenue, other external expenses, staff expenses, participating interests in subsidiaries, participating interests in jointly managed company, receivables, prepayments and accrued income and accruals and deferred income are described in the respective notes.

The Group 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
In 2020, no new or amended accounting standards and interpretations came into force that are of relevance to the Group.

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 relating to the statement 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 net book value at the time of sale.

Financial items
Financial items comprise interest income and expenses, realised inflation indexation, gains and losses for 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 at fair value as well as on subsequent measurement in the balance sheet. The difference in the fair value between the balance sheet dates is 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 at fair value 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 company as borrower.

Real interest rate loans consist of a real interest rate plus an allowance for inflation indexation. The expected inflation is recognised in the determination of the fair value on the real interest 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 interest 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.

The cost of property, plant and equipment also includes the spare parts inventory. Cost includes the original cost with the addition of delivery costs.

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 net 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 carrying amount at the time of sale. Profits and losses are recognised in the comprehensive income statement under other operating income or other operating expenses.

Lease contracts
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 further provision for 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.

Writedown of assets
Property, plant and equipment, intangible assets and financial fixed assets are subject to valuation testing when there is an indication that the net book value may not be recovered (other assets are covered under IFRS 9). Provision for losses is recognised at the amount by which the asset's net 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 discounting factor that reflects the market's current required rate of return. In determining provision for losses, assets are grouped in the smallest group of assets that generate separate identifiable cash flows (cash-generating units). See also note 26: Profitability.

Provision for losses is recognised in the comprehensive income statement.

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 due and receivable is 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 prepaid tax.

Joint tax contribution due and receivable is recognised in the balance sheet under corporation tax.

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 net book value 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 tax base of tax loss carryforwards, are recognised as other non-current assets at the value at which they are expected to be utilised, either by elimination in tax on future earnings or by offsetting deferred 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.

Deferred tax is adjusted for elimination of unrealised intra-group gains 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 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 is prepared in accordance with the indirect method based on the items in the comprehensive income statement. 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 net book value of certain assets and liabilities requires an estimate of to what extent 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 made, for instance, by calculating amortisation, depreciation and writedowns of the road and rail links and by calculating 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 carried out. 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 company, the volatility of reference rates and currencies of financial instruments with optionality in the payment flows and estimates of future inflation for real interest rate loans and swaps. Estimates for determining fair values and the need for provision for losses 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 carryforwards and reduced net financing expenses, which are based on projected future earnings for 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 23 Deferred tax.

A/S Øresund and Øresundsbro Konsortiet I/S'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

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

Road revenue comprises payment per vehicle crossing the link. Rail revenue comprises the payment from Banedanmark for the actual number of trains driven. This revenue thus comprises net revenue for one customer which amounts to more than 10 per cent of the Group's net revenue.

The Group's entire revenue is generated in Denmark.

Besides the payment from Banedanmark under Rail revenue, 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.

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. Net revenue includes revenue from the road and rail facilities and port fees for the use of port facilities.

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 used. The charges on the Storebælt link are set by the Minister of Transport.

Revenue from the rail link comprises payment from Banedanmark for the use of the rail facilities.

Revenue from the railway across Storebælt is based on the actual number of trains using the link. For Øresund the fee is determined by the Minister of Transport.

Sund & Bælt Group

Specification of net revenue	A/S Storebælt	A/S Øresund	Other companies	2020
Net revenue, road	2,578	0	0	2,578
Net revenue, railway	295	20	0	315
Net revenue, ports	30	0	0	30
Other net revenue	0	0	47	47
Total net revenue	**2,902**	**20**	**47**	**2,969**

Sund & Bælt Group

Specification of net revenue	A/S Storebælt	A/S Øresund	Other companies	2019
Net revenue, road	2,916	0	0	2,916
Net revenue, railway	292	40	0	333
Net revenue, ports	28	0	0	28
Other net revenue	0	0	27	27
Total net revenue	**3,236**	**40**	**27**	**3,304**

For Sund & Bælt Holding A/S, net revenue comprises fees received from the subsidiaries of DKK 142 million (2019: DKK 127 million) and revenue from low emission zones of DKK 17 million in 2020 (2019: DKK 0 million).

Note 5 Other external expenses

Other external expenses comprise expenses relating to the technical, traffic-related and commercial operations of the links. This includes, for instance, operation and maintenance of technical systems, staffing and toll collection expenses related to the toll station, insurances, external services, IT, rent of premises and office expenses.

Sund & Bælt Holding A/S		Fees to auditors appointed by Annual General Meeting: DKK 1.000	Sund & Bælt Group	
2019	**2020**	**Deloitte**	**2020**	**2019**
0	170	Statutory audit	695	0
0	0	Other assurance statements	305	0
0	399	Tax advice	921	0
0	46	Other services	124	0
0	**615**	**Audit fees, total**	**2,044**	**0**
0	0	Recognised under property, plant and equipment	-242	0
0	**615**	**Audit fees in respect of the comprehensive income statement**	**1,802**	**0**

Sund & Bælt Holding A/S		Fees to auditors appointed by Annual General Meeting: DKK 1.000	Sund & Bælt Group	
2019	**2020**	**Price waterhouse Coopers**	**2020**	**2019**
200	0	Statutory audit	-31	900
0	0	Other assurance statements	0	0
700	236	Tax advice	347	700
494	130	Other services	489	4,957
1,394	**366**	**Audit fees, total**	**806**	**6,557**
0	0	Recognised under property, plant and equipment	-192	-4,200
1,394	**366**	**Audit fees in respect of the comprehensive income statement**	**614**	**2,357**

Other services comprise statements on the company’s financial management and the EMTN programme as well as XBRL reports of interim and annual reports.

Note 6 Staff expenses

Staff expenses include total expenses for employees, the Management Board and the Board of Directors. Total 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	
2019	**2020**		**2020**	**2019**
98	102	Wages and salaries, remuneration and emoluments	227	203
9	9	Pension contributions	18	14
2	2	Social security expenses	5	5
2	2	Other staff expenses	7	8
110	**115**	**Total staff expenses**	**257**	**230**
0	-4	Recognised in intangible assets in progress	-4	0
0	0	Recognised in property, plant and equipment in progress	-107	-87
110	**111**	**Staff expenses as per comprehensive income statement**	**146**	**143**
140	206	Average number of employees	306	274
144	269	Number of employees at 31 December	310	301

Fees to Management Board
DKK 1.000

	Fixed salary	**Pensions**	**Non monetary benefits**	**Total**
2020				
Mikkel Hemmingsen	2,591	437	3	3,031
Claus F. Baunkjær	2,604	139	3	2,746
Other members of the Management Board (5 people)	5,546	555	324	6,425
Total	**10,741**	**1,131**	**330**	**12,202**
2019				
Mikkel Hemmingsen	2,374	398	3	2,775
Other members of the Management Board (5 people)	5,023	502	324	5,849
Total	**7,397**	**900**	**327**	**8,624**

Should the company terminate the employment of the two directors, as notified to the Danish Business Authority, 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.

Fees to the Board of Directors
Total

Total 2020		**Total 2019**	
Peter Frederiksen (Chairman)	587	Peter Frederiksen (Chairman)	312
Jørn Tolstrup Rohde (Vice-Chairman)	237	Jørn Tolstrup Rohde (Vice-Chairman)	228
Walter Christophersen	263	Walter Christophersen	156
Claus Jensen	169	Claus Jensen	156
Ruth Schade	263	Ruth Schade	156
Lene Lange	263	Lene Lange	156
Martin Duus Havelykkke	263	Martin Duus Havelykkke	156
Christina Bendixen Würtz	263	Christina Bendixen Würtz	156
Jens Willemoes	263	Jens Willemoes	156
Total	**2,571**	**Total**	**1,632**

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 Depreciation

Sund & Bælt Holding A/S			**Sund & Bælt Group**	
2019	**2020**		**2020**	**2019**
		Depreciation		
5	20	Intangible fixed assets - software	30	13
0	0	Tangible fixed assets - rail link	456	472
0	0	Tangible fixed assets - road link	249	254
0	0	Tangible fixed assets - port facilities	13	14
0	0	Tangible fixed assets - land and buildings	7	7
6	2	Tangible fixed assets - Leasehold improvements	3	6
1	2	Tangible fixed assets - other fixtures and fittings, plant and equipment	16	12
20	20	Tangible fixed assets - leasing	20	20
32	**44**	**Total depreciation**	**799**	**798**
		Writedowns:		
0	6	Intangible fixed assets - software	5	0
0	0	Tangible fixed assets - road link	7	0
0	**6**	**Total writedowns**	**12**	**0**
32	**50**	**Total depreciation and writedowns**	**811**	**798**

Note 8 Financial items

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

Net financing expenses are based on accrued nominal/real coupons rates, realised inflation-linked revaluation and amortisation of premiums/discounts while premiums and expected inflation-linked revaluation are included in the value adjustments.

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

Sund & Bælt Holding A/S			Sund & Bælt Group	
2019	**2020**		**2020**	**2019**
		Financial income		
1,600	1,600	Income from participating interests	0	0
1	0	Interest income, securities, banks etc.	3	1
0	0	Interest income, financial instruments	116	0
1,601	**1,600**	**Total financial income**	**119**	**1**
		Financial expenses		
0	5	Interest expenses, loans	-309	-336
0	0	Interest expenses, financial instruments	-135	0
0	0	Other financial items, net	-3	-2
0	**5**	**Total financial expenses**	**-448**	**-338**
1,601	**1,605**	**Net financing expenses**	**-329**	**-338**
		Value adjustments, net		
0	0	- Securities	-8	3
8	-3	- Loans	-405	-418
0	0	- Currency and interest rate swaps	-1,264	-1,344
0	0	- Currency options	0	-1
0	0	- Other value adjustments	1	-407
8	**-3**	**Value adjustments, net**	**-1,676**	**-2,167**
1,609	**1,602**	**Total financial items**	**-2,004**	**-2,504**
0	0	Of which financial instruments	-1,399	-1,345
0	0	Recognised in property, plant and equipment in progress	534	70

Commission to the Danish State of DKK 72 million of which DKK 25 million is recognised under projects in progress (commission totalled DKK 68 million in 2019 of which DKK 22 million was recognised under projects in progress).

Net financing expenses for the Group were DKK 9 million lower in 2020 compared to 2019. This is primarily due to the impact of continued falls in market rates and lower inflation indexation.

Note 9 Tax

Sund & Bælt Holding A/S			Sund & Bælt Group	
2019	**2020**		**2020**	**2019**
78	102	Current tax	-22	0
-73	-94	Change in deferred tax	-59	9
-22	8	Adjustment current tax, previous years	-37	2
22	-8	Adjustment deferred tax, previous years	37	-2
5	**7**	**Total tax**	**-82**	**9**
		Tax on the year's results is specified as follows:		
-347	-343	Computed 22 per cent tax on annual results	9	13
352	351	Other adjustments *)	-91	-4
5	**7**	**Total**	**-82**	**9**
0.3	0.5	**Effective tax rate**	198.6	16.1

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

Note 10 Software

Sund & Bælt Holding A/S			Sund & Bælt Group	
2019	**2020**		**2020**	**2019**
39	143	Cost opening balance	238	123
104	52	Additions for the year	70	116
0	-5	Disposals for the year	-5	0
143	**189**	**Cost closing balance**	**303**	**238**
7	11	Depreciation, amortisation and writedowns, opening balance	70	57
4	26	Depreciation, amortisation and writedowns for the year	37	13
0	-5	Depreciation on assets disposed of	-5	0
11	**32**	**Depreciation, amortisation and writedowns, opening balance**	**103**	**70**
131	**157**	**Net book value**	**201**	**168**
0	0	Depreciation recognised in projects in progress	3	2

Note 11 Road link

Projects in progress comprises 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 2020	Total 2019
Cost opening balance	14,464	997	4,565	2,172	22,198	21,827
Adjustment to opening balance	0	-1	-2	1	-1	0
Additions for the year	55	0	0	549	604	385
Disposals for the year	-96	0	0	0	-96	-15
Transfers for the year	0	0	0	0	0	0
Cost closing balance	**14,424**	**996**	**4,564**	**2,722**	**22,706**	**22,197**
Depreciation, amortisation and writedowns, opening balance	4,128	220	1,000	0	5,347	5,107
Depreciation, amortisation and writedowns for the year	200	10	46	0	256	254
Depreciation on assets disposed of	-89	0	0	0	-89	-14
Depreciation, amortisation and writedowns, closing balance	**4,239**	**230**	**1,046**	**0**	**5,514**	**5,347**
Net book value	**10,185**	**766**	**3,518**	**2,722**	**17,191**	**16,850**

In project in progress, financing expenses excluding financial value adjustments for the year are recognised with a 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 were offset (2018: DKK 447 million) of which DKK 211 million was included in 2019.

Note 12 Rail link

Sund & Bælt Group	Directly capitalised expenses	Value of own work	Financing expenses (net)	Projects in progress	Total 2020	Total 2019
Cost opening balance	17,410	567	5,521	5,357	28,854	27,669
Additions for the year	23	0	0	1,849	1,872	1,474
Received EU subsidy	0	0	0	-226	-226	-279
Disposals for the year	-64	0	0	0	-64	-10
Transfers for the year	0	0	0	0	0	0
Cost closing balance	**17,368**	**567**	**5,521**	**6,980**	**30,436**	**28,854**
Depreciation, amortisation and writedowns, opening balance	5,933	203	1,966	0	8,101	7,639
Adjustment to opening balance	0	0	0	0	0	0
Depreciation, amortisation and writedowns for the year	362	8	86	0	456	472
Depreciation on assets disposed of	-64	0	0	0	-64	-10
Depreciation, amortisation and writedowns, closing balance	**6,231**	**211**	**2,052**	**0**	**8,494**	**8,101**
Net book value	**11,137**	**356**	**3,470**	**6,980**	**21,942**	**20,753**

Note 13 Port facilities

Sund & Bælt Group	2020	2019
Cost opening balance	354	352
Additions for the year	3	6
Disposals for the year	0	-4
Cost closing balance	**357**	**354**
Depreciation, amortisation and writedowns, opening balance	173	163
Depreciation, amortisation and writedowns for the year	13	14
Depreciation on assets disposed of	0	-4
Depreciation, amortisation and writedowns, closing balance	**186**	**173**
Net book value	**170**	**181**

Note 14 Land and buildings

Sund & Bælt Group	2020	2019
Cost opening balance	179	166
Additions for the year	0	13
Disposals for the year	-1	0
Cost closing balance	**178**	**179**
Depreciation, amortisation and writedowns, opening balance	88	82
Depreciation, amortisation and writedowns for the year	7	7
Depreciation on assets disposed of	-1	0
Depreciation, amortisation and writedowns, closing balance	**94**	**88**
Net book value	**84**	**91**

Note 15 Other plant and operating equipment

Sund & Bælt Group	Operating equipment, fixtures and fittings	Lease-hold improve-ments	Total 2020
Cost opening balance	221	67	288
Additions for the year	31	6	36
Disposals for the year	-3	0	-3
Cost closing balance	**249**	**73**	**321**
Depreciation, amortisation and w ritedow ns, opening balance	173	60	234
Depreciation, amortisation and w ritedow ns for the year	16	3	19
Depreciation, amortisation and writedowns, closing balance	**190**	**63**	**253**
Net book value	**59**	**10**	**68**

Sund & Bælt Group	Operating equipment, fixtures and fittings	Lease-hold improve-ments	Total 2019
Cost opening balance	205	66	271
Additions for the year	19	1	21
Disposals for the year	-3	0	-3
Cost closing balance	**221**	**67**	**288**
Depreciation, amortisation and w ritedow ns, opening balance	161	54	215
Depreciation, amortisation and w ritedow ns for the year	15	6	22
Depreciation on assets disposed of	-3	0	-3
Depreciation, amortisation and writedowns, closing balance	**173**	**60**	**234**
Net book value	**48**	**7**	**55**

Sund & Bælt Holding A/S	Operating equipment, fixtures and fittings	Lease-hold improve-ments	Total 2020
Cost opening balance	7	37	44
Additions for the year	8	0	9
Cost closing balance	**16**	**37**	**53**
Depreciation, amortisation and w ritedow ns, opening balance	3	29	33
Depreciation, amortisation and w ritedow ns for the year	2	3	4
Depreciation, amortisation and writedowns, closing balance	**5**	**32**	**37**
Net book value	**11**	**5**	**16**

Sund & Bælt Holding A/S	Operating equipment, fixtures and fittings	Lease-hold improve-ments	Total 2019
Cost opening balance	8	35	43
Additions for the year	0	1	2
Disposals for the year	-1	0	-1
Cost closing balance	**7**	**37**	**44**
Depreciation, amortisation and writedowns, opening balance	3	23	26
Depreciation, amortisation and writedowns for the year	1	6	7
Depreciation on assets disposed of	-1	0	-1
Depreciation, amortisation and writedowns, closing balance	**3**	**29**	**33**
Net book value	**4**	**7**	**11**

Note 16 Leases

Sund & Bælt Holding A/S			Sund & Bælt Group	
2019	**2020**		**2020**	**2019**
0	101	Cost opening balance	101	0
101	0	Adjustment to opening balance	0	101
101	**101**	**Cost closing balance**	**101**	**101**
0	20	Depreciation, amortisation and writedowns, opening balance	20	0
20	20	Depreciation, amortisation and writedowns for the year	20	20
20	**40**	**Depreciation, amortisation and writedowns, closing balance**	**40**	**20**
81	**61**	**Net book value**	**61**	**81**
		Lease liabilities		
		Maturity of lease liabilities		
20	20	Under 1 year	20	20
41	41	Between 1 to 3 years	41	41
20	0	Between 3 to 5 years	0	20
0	0	Over 5 years	0	0
81	**61**	**Total undiscounted lease liabilities, closing balance**	**61**	**81**
		Lease liabilities included in balance sheet		
20	20	Current debt	20	20
61	41	Non-current	41	61

Note 17 Loans to contractors

In accordance with construction contracts and the supplementary agreement with the contractors, a loan facility can be made available. The first tranche was disbursed in 2019.

The loan is repaid on an ongoing basis over 36 months, one year after being taken up.

	Sund & Bælt Group	
	2020	**2019**
Non-current	174	137
Current	91	0
Total	**265**	**137**

Note 18 Participating interest in subsidiary

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

	Sund & Bælt Holding A/S	
	2020	**2019**
Cost opening balance	976	976
Capital contribution for the year	0	0
Cost closing balance	**976**	**976**
Net book value	**976**	**976**

	Registered office	Ownership share	Share capital	Equity 1 Jan	Profit/loss	Dividend paid	Equity 31 Dec
A/S Storebælt	Copenhagen	100 pct	355	4,007	3,107	-1,600	5,514
A/S Øresund	Copenhagen	100 pct	5	-6,416	-293	0	-6,709
A/S Femern Landanlæg	Copenhagen	100 pct	500	-130	-574	0	-704
Sund & Bælt Partner A/S	Copenhagen	100 pct	5	11	0	0	11
Brobizz A/S	Copenhagen	100 pct	30,000	123,436	-391	0	123,046
Total			**30,865**	**120,908**	**1,849**	**-1,600**	**121,157**

Activity of the subsidiaries	
A/S Storebælt	The primary activity is to own and operate the fixed link across Storebælt.
A/S Øresund	The primary activity 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 activity is to operate as an issuer of Bizz and number plate payment for use on user-paid infrastructure. The company's objective is also to hold all shares in BroBizz Operatør A/S.

Note 19 Participating interests in jointly managed company

Participating interests in the jointly managed company are measured in the balance sheet according to the equity method, after which the proportionate share of the company's net book value 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	
	2020	**2019**
Value of participating interest, opening	1,321	894
Share of profit for the year	223	427
Participating interest, closing	**1,544**	**1,321**
Carried forward to provisions, opening	0	0
Carried forward to provisions, closing	**0**	**0**
Value of participating interest, closing	**1,544**	**1,321**

Key figures from jointly managed company		
Operating income	1,522	2,011
Operating expenses	-251	-261
Depreciation	-348	-290
Financial items	-122	-179
Value adjustment	-355	-426
Profit for the year and comprehensive income	446	855
Current assets	2,659	1,969
- Of which cash and cash equivalents	176	1
Non-current assets	14,663	14,867
Equity	3,087	2,641
Current liabilities	3,201	6,109
- Of which current financial liabilities	3,131	4,942
Non-current liabilitites	11,033	8,086
- Of which non-current financial liabilities	11,033	8,086
Contingent liabilities	98	94

The annual result for Øresundsbro Konsortiet I/S is a profit of DKK 446 million. (2019: DKK 855 million). The Group's share of Øresundsbro Konsortiet I/S's profit of DKK 223 million (2019: DKK 427 million) is recognised in the comprehensive income statement as Share of profit in jointly managed company.

Note 20 Receivables

Trade receivables are valued at cost. Trade receivables comprise amounts owed by customers, balances with payment card companies and receivables relating to the rail fee.

Provision is made for losses where an individual receivable or a portfolio of receivables are considered to be impaired. Provisions for bad debt are determined based on historical loss experience and future expected losses. As at 31 December 2020, of the total trade receivables of DKK 282 million provision for unsecured receivables was recognised at DKK 5 million, which thus constitutes the calculated risk for customer losses. The net book value of receivables thus represents the expected realisable value. There are no significant receivables due that require provision.

Receivables also comprise receivables in respect of affiliated companies, tax paid in advance, EU-subsidy and other receivables.

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

Sund & Bælt Holding A/S			Sund & Bælt Group	
2019	**2020**		**2020**	**2019**
3	24	Trade receivables and services	282	359
201	49	Members	0	0
1	1	Receivables, Øresundsbro Konsortiet I/S	1	0
19	36	Tax paid in advance	36	19
0	0	EU subsidy receivable	433	161
7	5	Other receivables	167	54
232	**115**	**Total receivables**	**920**	**592**

Expected loss on receivables

DKK 1.000	Weighted loss rate	Amount receivable	Expected Loss	Total 2020
Balances not due	0.2%	233,315	-407	233,722
Less than 30 days overdue	0.7%	38,416	-272	38,689
30 to 90 days overdue	12.8%	1,803	-231	2,033
More than 90 days overdue	92.5%	3,965	-3,667	7,632
Total	**1.6%**	**277,499**	**-4,578**	**282,077**

DKK 1.000	Weighted loss rate	Amount receivable	Expected Loss	Total 2019
Balances not due	0.1%	286,259	-296	286,555
Less than 30 days overdue	0.6%	67,220	-424	67,643
30 to 90 days overdue	21.9%	686	-150	837
More than 90 days overdue	141.7%	1,763	-2,498	4,261
Total	**0.9%**	**355,928**	**-3,368**	**359,296**

Note 21 Prepayments and accrued income

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

Sund & Bælt Holding A/S			Sund & Bælt Group	
2019	**2020**		**2020**	**2019**
0	8	Prepaid rent	8	0
6	6	Prepaid insurance premiums	7	27
0	8	Prepaid software licences	8	0
6	11	Prepaid expenses - other	217	111
0	0	Accrued interest, financial instruments	779	706
12	**32**	**Total prepayments and accrued income**	**1,018**	**844**

Accrued interest, financial instruments are specified in Note 24 Net debt.

Note 22 Equity

Sund & Bælt Holding A/S' share capital comprises 3,550,000 shares at 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 2020, Sund & Bælt Holding A/S paid a dividend of DKK 389 per share at a nominal value of DKK 100 (DKK 397 in 2019).

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 the section Economy in the Management Report.

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

Note 23 Deferred tax

Due to the accounting capitalisation of financing expenses during the A/S Storebælt's and A/S Øresund's construction periods, the net book value 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 realise 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 carryforward extends over a period longer than five years, but since the main components of the companies' fixed assets have an estimated service life of 100 years, it is deemed prudent to recognise the tax value of the losses carryforward and the reduced net financing expenses without provision for losses.

Sund & Bælt Holding A/S			Sund & Bælt Group	
2019	**2020**		**2020**	**2019**
281	316	Balance, opening	-873	-880
-73	-94	Deferred tax for the year	-59	9
22	-8	Adjustment deferred tax, previous years	37	-2
86	0	Other adjustments	0	0
316	**214**	**Balance, closing**	**-895**	**-873**
		Deferred tax relates to:		
8	-20	Intang. fixed assets & tangible fixed assets	-2,048	-1,782
0	0	Tangible fixed assets, Øresundsbro Konsortiet I/S	-317	-271
0	0	Provisions for losses on debtors	1	0
302	229	Reduced net financing expenses	1,077	697
7	4	Tax loss	392	483
316	**214**	**Total**	**-895**	**-873**

Difference during the year:

Sund & Bælt Group	**Opening 2019**	**Adjstmts. for the year 2019**	**Closing 2019**	**Adjstmts. for the year 2020**	**Closing 2020**
Intang. fixed assets & tangible fixed assets	-1,543	-239	-1,782	-267	-2,048
Tangible fixed assets, Øresundsbro Konsortiet I/S	-214	-57	-271	-46	-317
Provisions for losses on debtors	0	0	0	1	1
Reduced net financing expenses	412	284	697	381	1,077
Tax loss	465	19	483	-92	392
Total	**-880**	**8**	**-873**	**-22**	**-895**

Difference during the year:

Sund & Bælt Holding A/S	**Opening 2019**	**Adjstmts. for the year 2019**	**Closing 2019**	**Adjstmts. for the year 2020**	**Closing 2020**
Intang. fixed assets & tangible fixed assets	7	1	8	-28	-20
Reduced net financing expenses	269	32	302	-72	229
Tax loss	4	2	7	-2	4
Total	**281**	**36**	**316**	**-102**	**214**

Note 24 Net debt

Sund & Bælt Group

Fair value hierarchy	Level 1	Level 2	Level 3	Total 2020	Level 1	Level 2	Level 3	Total 2019
Bonds	10,674	0	0	10,674	11,373	500	0	11,872
Derivatives, assets	0	2,198	0	2,198	0	2,341	0	2,341
Financial assets	**10,674**	**2,198**	**0**	**12,871**	**11,373**	**2,840**	**0**	**14,213**
Bond loans and debt	-52,183	-1,621	0	-53,804	-49,513	-2,953	0	-52,465
Derivatives, liabilities	0	-5,567	0	-5,567	0	-4,331	0	-4,331
Financial liabilities	**-52,183**	**-7,188**	**0**	**-59,372**	**-49,513**	**-7,283**	**0**	**-56,796**

Sund & Bælt Group

Net debt spread across currencies	EUR	DKK	Other cur-rencies	Total 2020	EUR	DKK	Other cur-rencies	Total 2019
Cash at bank and in hand	-6	499	29	522	-131	637	13	518
Investments	7,979	2,695	0	10,674	8,161	3,711	0	11,872
Financial assets	**7,973**	**3,194**	**29**	**11,196**	**8,029**	**4,348**	**13**	**12,390**
Bond loans and debt	-1,098	-52,457	-249	-53,804	-1,125	-49,768	-1,572	-52,465
Currency and interest rate swaps	-5,592	1,974	249	-3,369	-6,042	2,478	1,574	-1,990
Currency futures	1,318	-1,318	0	0	-448	448	0	0
Accrued interest	-96	518	0	422	-115	416	0	301
Financial liabilities	**-5,468**	**-51,284**	**0**	**-56,752**	**-7,731**	**-46,425**	**1**	**-54,155**
Total net debt (fair value)	**2,505**	**-48,090**	**29**	**-45,556**	**298**	**-42,077**	**14**	**-41,764**

The above is included in the following items

2020

Other currencies comprise:	AUD	GBP	JPY	NOK	SEK	USD	Total
Cash at bank and in hand	0	1	0	22	5	0	29
Investments	0	0	0	0	0	0	0
Bond loans and debt	0	0	-236	0	0	-13	-249
Currency and interest rate swaps	0	0	236	0	0	13	249
Currency futures	0	0	0	0	0	0	0
Currency options	0	0	0	0	0	0	0
Accrued interest	0	0	0	0	0	0	0
Total	**0**	**1**	**0**	**22**	**5**	**0**	**29**

2019

Other currencies comprise:	AUD	GBP	JPY	NOK	SEK	USD	Total
Cash at bank and in hand	0	1	0	6	6	0	13
Investments	0	0	0	0	0	0	0
Bond loans and debt	0	0	-962	0	-566	-44	-1,572
Currency and interest rate swaps	0	0	963	0	566	44	1,574
Currency futures	0	0	0	0	0	0	0
Currency options	0	0	0	0	0	0	0
Accrued interest	0	0	0	0	0	0	0
Total	**0**	**1**	**1**	**6**	**6**	**0**	**14**

	Derivatives assets	Derivatives liabilities	Total 2020	Derivatives assets	Derivatives liabilities	Total 2019
Interest rate swaps	1,779	-5,537	-3,758	1,671	-4,238	-2,567
Currency swaps	418	-30	388	670	-94	576
Forward exchange contracts	0	0	0	0	0	0
Currency options	0	0	0	0	0	0
Gross value derivatives	**2,198**	**-5,567**	**-3,370**	**2,341**	**-4,331**	**-1,990**
Accrued interest, financial instruments	741	-269	472	664	-300	364
Offsetting cf. IAS32	0	0	0	0	0	0
Gross value	**2,938**	**-5,836**	**-2,898**	**3,005**	**-4,631**	**-1,626**
Offsetting options by default [1]	-1,283	1,283	0	-1,557	1,557	0
Collateral	-1,187	3,596	2409	-1,247	2,323	1076
Net value, total	**469**	**-958**	**-490**	**201**	**-751**	**-550**

[1] Note: Offsetting options comprise netting of derivative contracts that allow for the offsetting of positive and negative market values into one overall net settlement amount.

Accrued interest

Prepayments and accrued income	Assets	Liabilities	Total 2020	Assets	Liabilities	Total 2019
Bank	0	0	0	0	0	0
Investment	26	-3	23	30	-3	27
Payables	12	-84	-73	11	-102	-91
Interest rate swaps	723	-269	454	631	-300	331
Currency swaps	17	0	17	34	0	34
Forward exchange contracts	0	0	0	0	0	0
Total	**779**	**-357**	**422**	**706**	**-405**	**300**

Interest-bearing net debt

Company	Repayment of debt 2020	2019	Repayment period number of years 2020	2019	Interest-bearing net debt DKK billion 2020	2019
A/S Storebælt	2032	2032	34	34	18.5	18.9
A/S Øresund	2044	2045	46	47	11.2	11.0
A/S Femern Landanlæg	*)	*)	33	33	4.4	3.3
Femern A/S	*)	*)	33	33	5.3	3.5
Øresundsbro Konsortiet I/S	2050	2050	50	50	10.4	11.5

Company	Financing expenses excl. value adjustment per cent per annum 2020	2019	Financing expenses incl. value adjustment per cent per annum 2020	2019
A/S Storebælt	0.76	0.68	0.24	2.01
A/S Øresund	1.32	1.43	3.26	5.70
A/S Femern Landanlæg	0.29	-0.07	30.15	37.47
Femern A/S	1.56	1.93	12.20	13.68
Øresundsbro Konsortiet I/S	1.19	1.71	4.67	5.20

Reconciliation of differences in financial liabilities	Current debt	Non-current debt	Deriva-tives assets	Deriva-tives liabilities	Total 2020
Opening 2020	-4,995	-46,774	2,341	-4,331	-53,760
Cash flow	5,005	-5,712	-485	521	-671
Paid interest - reversed	-55	-566	470	-438	-588
Amortisation	23	343	-167	9	208
Inflation indexation	-2	-14	-4	-20	-41
Currency adjustment	-27	16	2	23	14
Fair value adjustment	48	-433	30	-1,319	-1,674
Transfer opening/closing	-3,263	3,263	11	-11	0
Closing 2020	**-3,266**	**-49,878**	**2,198**	**-5,567**	**-56,513**

Reconciliation of cash flow	2020
Cash flow	-671
Loans from credit institutions	-33
Repayment of lease liabilities	20
Received EU subsidy	-228
Guarantee commission	71
Other financial items, net	-81
Paid dividend	1,380
Cash flow from financing activities	**458**

Reconciliation of differences in financial liabilities	Current debt	Non-current debt	Deriva-tives assets	Deriva-tives liabilities	Total 2019
Opening 2019	-5,877	-38,163	2,737	-3,352	-44,655
Cash flow	5,557	-12,387	-441	375	-6,897
Paid interest - reversed	-167	-588	602	-378	-530
Amortisation	24	328	-171	10	192
Inflation indexation	5	-29	8	-35	-52
Currency adjustment	1	-34	0	24	-9
Fair value adjustment	91	-891	-1,463	93	-2,170
Transfer opening/closing	-4,629	4,989	1,070	-1,070	360
Closing 2019	**-4,995**	**-46,774**	**2,341**	**-4,332**	**-53,760**

Reconciliation of cash flow	2019
Cash flow	-6,897
Loans from credit institutions	-5
Repayment of lease liabilities	20
Received EU subsidy	-322
Guarantee commission	44
Other financial items, net	-52
Paid dividend	1,411
Cash flow from financing activities	**-5,801**

Note 25 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 in part determines an overall financial policy and in part 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 2020 as well as the key financial risks.

Funding

All loans and other financial instruments employed by the companies are guaranteed by the Danish State. 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 36 million has been utilised. Thus, an available credit limit of USD 4,964 million remains. In addition, the company has a Swedish MTN programme of SEK 5 billion of which SEK 0.0 billion has been utilised. Thus, an available credit line of SEK 5.0 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 2020, 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 2.1 billion.

A/S Øresund raised on-lending to a nominal value of DKK 1.2 billion.

A/S Femern Landanlæg raised on-lending to a nominal value of DKK 3.0 billion.

Femern A/S raised financing for most of the coming year with a total outstanding amount in on-lending of DKK 11,750 million of which DKK 5.6 billion was converted to long-term financing with maturity in 2052.

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 2021, such refinancing will amount to approx. DKK 2.3 billion, and the expected net borrowing requirements will be around DKK 2.2 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 2021, such refinancing will amount to approx. DKK 0.7 billion and the expected net borrowing requirements will be around DKK 1.2 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 2021, such refinancing will amount to approx. DKK 0.3 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 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 2021, there is no refinancing and the expected net borrowing requirements will be around DKK 0.8 billion. This is beyond what is needed for the financing of any extraordinary purchase of existing loans.

The companies have a requirement to maintain a liquidity reserve of at least 6 months' liquidity consumption with the objective of reducing the risk of borrowing at times when the 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

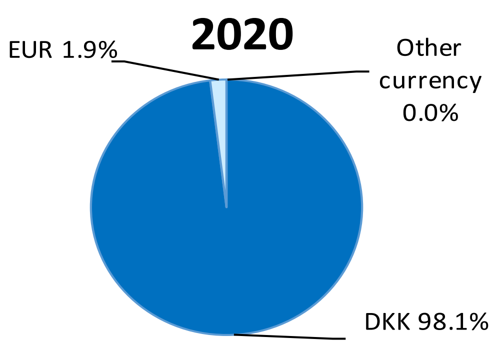
Financial risks are identified, monitored and controlled within the framework approved by the Board of Directors as determined in the companies' financial policy and strategy, operational procedures and in accordance with the guidelines from the Danish Ministry of Finance/Danmarks Nationalbank, which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

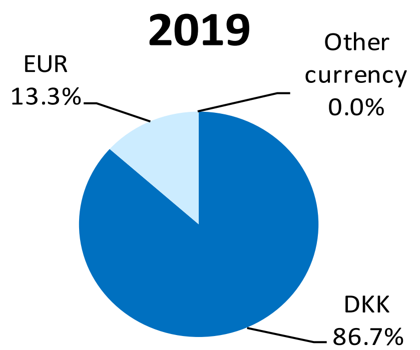
Currency risks

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 2020 and 2019 (DKK million)

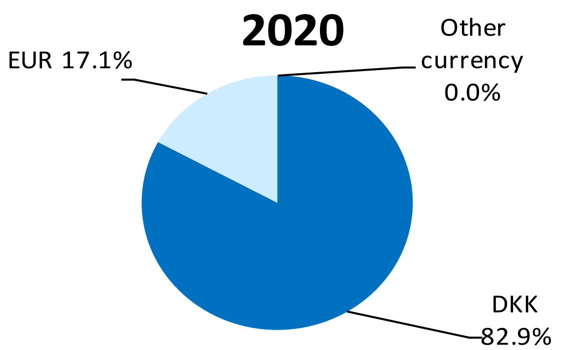
Currency	Fair value 2020	Currency	Fair value 2019
DKK	-19,634	DKK	-17,867
EUR	-387	EUR	-2,752
Other currency	0	Other currency	1
Total 2020	**-20,021**	**Total 2019**	**-20,618**

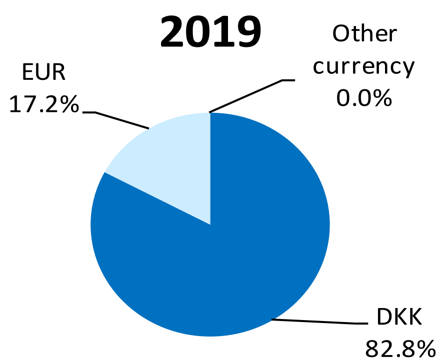




A/S Øresund's currency exposure at fair value in 2020 and 2019 (DKK million)

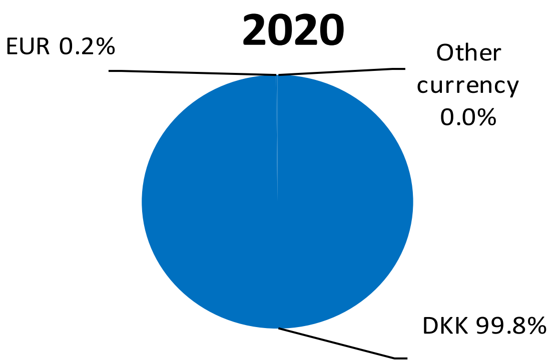
Currency	Fair value 2020	Currency	Fair value 2019
DKK	-10,777	DKK	-10,495
EUR	-2,222	EUR	-2,186
Other currency	0	Other currency	0
Total 2020	**-12,999**	**Total 2019**	**-12,681**

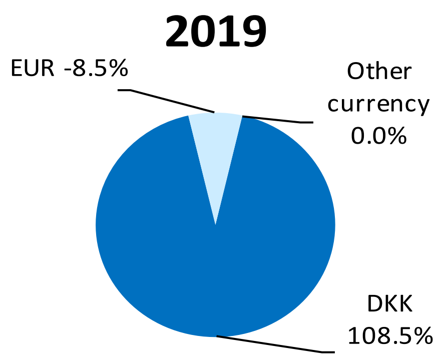




A/S Femern Landanlæg's currency exposure at fair value in 2020 and 2019 (DKK million)

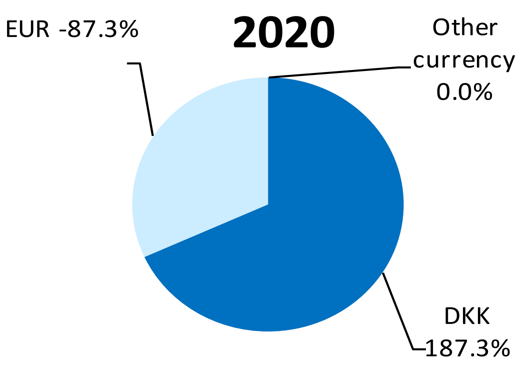
Currency	Fair value 2020	Currency	Fair value 2019
DKK	-6,336	DKK	-4,438
EUR	-10	EUR	347
Other currency	0	Other currency	0
Total 2020	**-6,346**	**Total 2019**	**-4,091**

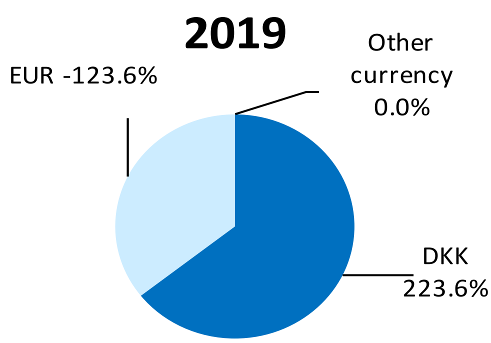




Femern A/S currency exposure at fair value 2020 and 2019 (DKK million)

Currency	Fair value 2020	Currency	Fair value 2019
DKK	-10,975	DKK	-8,816
EUR	5,113	EUR	4,874
Other currency	2	Other currency	0
Total 2020	**-5,860**	**Total 2019**	**-3,942**





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.

Foreign exchange sensitivity for A/S Storebælt amounted to DKK 2 million in 2020 (DKK 11 million in 2019) calculated as Value-at-Risk.

Foreign exchange sensitivity for A/S Øresund amounted to DKK 14 million in 2020 (DKK 9 million in 2019) calculated as Value-at-Risk.

Foreign exchange sensitivity for A/S Femern Landanlæg amounted to DKK 0 million in 2020 (DKK 1 million in 2019) calculated as Value-at-Risk.

Foreign exchange sensitivity for Femern A/S amounted to DKK 32 million in 2020 (DKK 19 million in 2019) 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 1-year's historical volatility and correlations 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 2020 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 2020 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 to the extent that this is possible. This relationship was evident during the financial crisis, when lost traffic revenues were offset by lower financing expenses. During the Covid-19 pandemic, the loss of revenue from road traffic has only been partly 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 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 balancing 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 2020, the duration on the nominal debt was set at 4.0 years for A/S Storebælt and 9.0 years for A/S Øresund.

Maximum variation limits for the interest rate allocation and duration target have been 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 2020 and the actual duration was between 3.8 years to 4.3 years and was predominantly overweighted in relation to the benchmark, apart from a brief period following dividend distribution when the net debt in relative terms was higher.

The duration of the strategic benchmark for 2021 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 2020 and the actual duration was between 9.3 years and 9.8 years and was predominantly overweighted in relation to the benchmark.

For A/S Øresund, the duration on the strategic benchmark for 2021 is maintained at 9.0 years and the target for the real rate debt ratio is unchanged.

Long-term interest rates plunged further in 2020 as a result of the Covid-19 pandemic. The companies are primarily exposed to interest rates in DKK and EUR and here interest rates on the long-term maturities fell by 0.3-0.6 percentage points over the year.

A/S Storebælt is exposed to interest rates in DKK and EUR, and here interest rates on the long-term maturities fell by 0.3-0.6 percentage points overall over the year. Despite the interest rate development, 2020 produced an unrealised fair value gain of DKK 100 million from fair value adjustments, which is primarily attributable to the inflation-linked debt where the real rate after adjustment for equilibrium inflation actually increased altogether with the impact from maturity shortening.

A/S Øresund is exposed to interest rates in DKK and EUR, and here interest rates on the long-term maturities fell by 0.3-0.6 percentage points overall over the year. Interest rate developments in 2020 produced an unrealised fair value loss of DKK 217 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 0.3-0.6 percentage points over the year. Interest rate developments in 2020 produced an unrealised fair value loss of DKK 1,143 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 0.3 percentage points overall over the year. Interest rate developments in 2020 produced an unrealised fair value loss of DKK 415 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.

Yield exposure disclosed in nominal notional amounts 2020, A/S Storebælt (DKK million)

Yield buckets	**0-1 years**	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**> 5 years**	**Nominal value**	**Fair value**
Securities	372	781	0	0	0	0	1,153	1,163
Bond loans and debt	-2,274	-2,500	-3,301	0	-2,832	-7,874	-18,781	-20,269
Interest rate and currency swa	-3,097	744	2,796	-1,256	240	45	-528	-930
Currency futures	0	0	0	0	0	0	0	0
Other derivatives	0	0	0	0	0	0	0	0
Cash at bank and in hand	15	0	0	0	0	0	15	15
Net debt	**-4,984**	**-975**	**-505**	**-1,256**	**-2,592**	**-7,829**	**-18,141**	**-20,021**
Of this, real rate instruments								
Real rate debt	0	0	-1,604	0	0	-2,035	-3,639	-4,098
Real rate swaps	0	0	0	0	-2,440	-353	-2,793	-3,270
Real rate instruments total	**0**	**0**	**-1,604**	**0**	**-2,440**	**-2,388**	**-6,432**	**-7,368**

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	-7,829	0	0	0
Of this, real rate instruments	-2,388	0	0	0

Yield exposure disclosed in nominal notional amounts 2019, A/S Storebælt (DKK million)

Yield buckets	0-1 years	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Nominal value	Fair value
Securities	560	374	0	0	0	0	934	942
Bond loans and debt	-2,270	-2,286	-1,000	-3,292	0	-10,195	-19,043	-20,672
Interest rate and currency swa	-4,046	991	747	2,800	-1,253	278	-483	-858
Currency futures	0	0	0	0	0	0	0	0
Other derivatives	0	0	0	0	0	0	0	0
Cash at bank and in hand	-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**

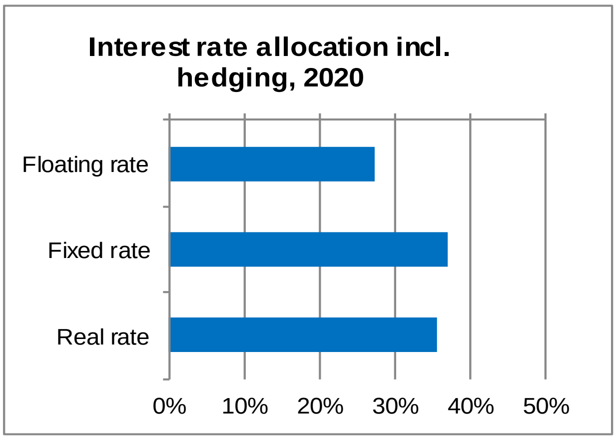
Yield exposure > 5 years is allocated as follows (DKK million)

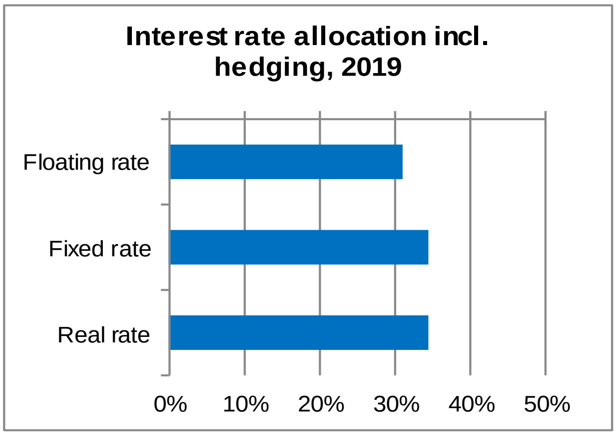
Yield buckets	5-10 years	10-15 years	15-20 years	> 20 years
Net debt	-6,400	-3,517	0	0
Of this, real rate instruments	-2,787	-2,022	0	0

The fixed-rate nominal debt beyond five years is primarily exposed to yield exposure in the 10 and 12-year yield segment.

Interest rate allocation

2020	Interest rate allocation in per cent	2019
27.4	Floating rate	31.1
37.1	Fixed rate	34.5
35.5	Real rate	34.4
100.0	**Total**	**100.0**





The yield exposure is distributed with an exposure of 116.8 per cent to interest rates in DKK and -16.8 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 rate or inflation rate change of 1 percentage point can be estimated at DKK 60 million and DKK 60 million respectively and the impact will be symmetrical with a rise or fall.

Yield exposure disclosed in nominal notional amounts, 2020, A/S Øresund (DKK million)

Yield buckets	0-1 years	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Nominal value	Fair value
Securities	75	818	0	0	0	0	893	902
Bond loans and debt	-873	-1,200	-1,700	-2,062	-800	-4,360	-10,995	-13,556
Interest rate and currency swa	-1,407	-372	1,700	742	1,358	-2,240	-219	-322
Currency futures	0	0	0	0	0	0	0	0
Other derivatives	0	0	0	0	0	0	0	0
Cash at bank and in hand	-23	0	0	0	0	0	-23	-23
Net debt	**-2,228**	**-754**	**0**	**-1,320**	**558**	**-6,600**	**-10,344**	**-12,999**
Of this, real rate instruments								
Real rate debt	0	0	0	0	0	0	0	0
Real rate swaps	0	0	0	-1,413	0	-3,162	-4,575	-5,687
Real rate instruments total	**0**	**0**	**0**	**-1,413**	**0**	**-3,162**	**-4,575**	**-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	-1,161	-1,463	-3,603	-372
Of this, real rate instruments	-855	-1,087	-1,220	0

Yield exposure disclosed in nominal notional amounts 2019, A/S Øresund (DKK million)

Yield buckets	0-1 years	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Nominal value	Fair value
Securities	0	859	0	0	0	0	859	866
Bond loans and debt	-1,374	-650	-700	-1,700	-2,062	-4,460	-10,946	-13,571
Interest rate and currency swa	-1,155	0	-373	1,700	740	-1,127	-215	-110
Currency futures	0	0	0	0	0	0	0	0
Other derivatives	0	0	0	0	0	0	0	0
Cash at bank and in hand	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**

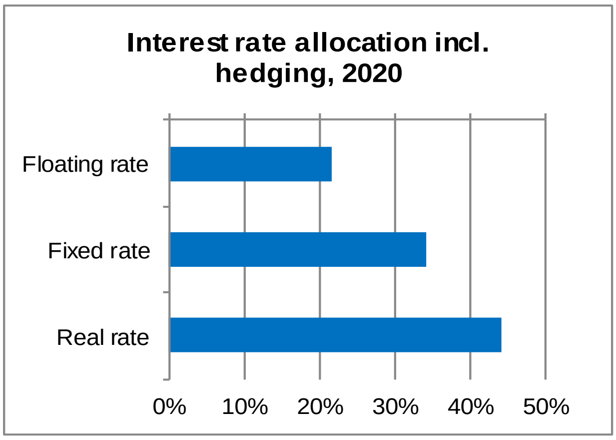
Yield exposure > 5 years is allocated as follows (DKK million)

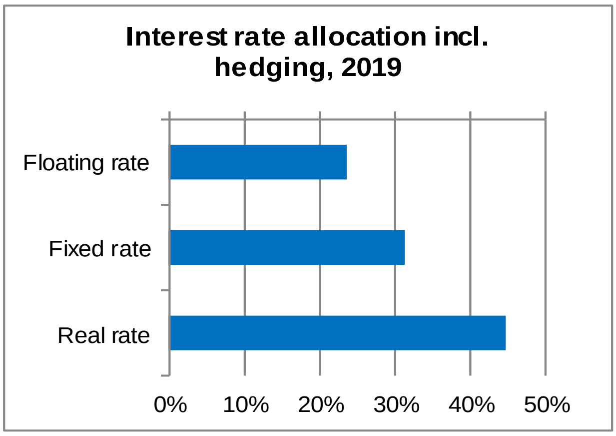
Yield buckets	5-10 years	10-15 years	15-20 years	> 20 years
Net debt	-149	-903	-4,162	-373
Of this, real rate instruments	-857	-1,081	-1,212	0

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

2020	Interest rate allocation in per cent	2019
21.5	Floating rate	23.6
34.2	Fixed rate	31.5
44.3	Real rate	44.9
100.0	**Total**	**100.0**





The yield exposure is distributed with an exposure of 114.2 per cent to interest rates in DKK and -14.2 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 20 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 38 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 2020, A/S Femern Landanlæg (DKK million)

Yield buckets	0-1 years	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Nominal value	Fair value
Securities	1,785	149	0	0	0	0	1,934	1,944
Bond loans and debt	-1,143	-1,650	0	0	-350	-3,150	-6,293	-6,634
Interest rate and currency swa	-350	1,000	999	0	350	-2,043	-44	-1,646
Currency futures	0	0	0	0	0	0	0	0
Other derivatives	0	0	0	0	0	0	0	0
Cash at bank and in hand	-10	0	0	0	0	0	-10	-10
Net debt	**282**	**-501**	**999**	**0**	**0**	**-5,193**	**-4,413**	**-6,346**
Of this, real rate instruments								
Real rate debt	0	0	0	0	0	0	0	0
Real rate swaps	0	546	540	0	0	-2,470	-1,384	-3,103
Real rate instruments total	**0**	**546**	**540**	**0**	**0**	**-2,470**	**-1,384**	**-3,103**

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	-5,991
Of this, real rate instruments	468	0	0	-2,938

Yield exposure disclosed in nominal notional amounts 2019, A/S Femern Landanlæg (DKK million)

Yield buckets	0-1 years	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Nominal value	Fair value
Securities	0	1,531	0	0	0	0	1,531	1,549
Bond loans and debt	-2,396	-250	0	0	0	-2,150	-4,796	-5,000
Interest rate and currency swa	1,018	0	1,000	998	0	-3,038	-22	-658
Currency futures	0	0	0	0	0	0	0	0
Other derivatives	0	0	0	0	0	0	0	0
Cash at bank and in hand	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**

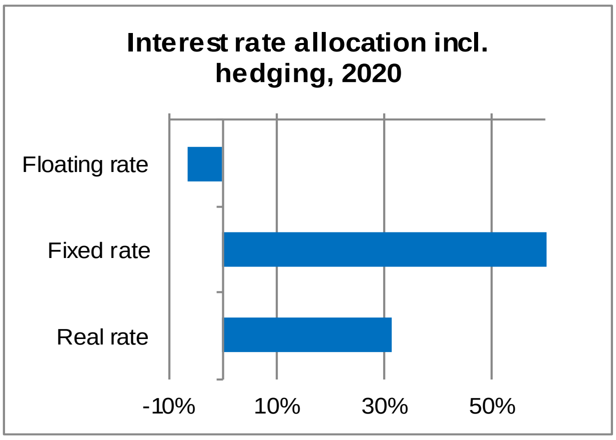
Yield exposure > 5 years is allocated as follows (DKK million)

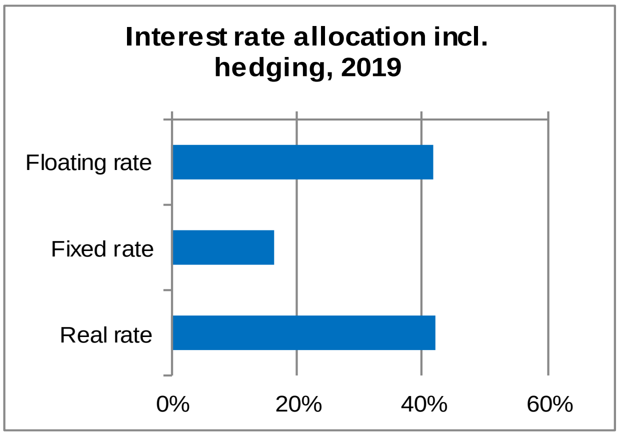
Yield buckets	5-10 years	10-15 years	15-20 years	> 20 years
Net debt	798	0	0	-5,986
Of this, real rate instruments	465	0	0	-2,920

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

2020	Interest rate allocation in per cent	2019
-6.4	Floating rate	41.6
75.0	Fixed rate	16.3
31.4	Real rate	42.1
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 projection, including debt accumulation during the construction period and repayment during the operation period. Half of the yield exposure is exposed to the real rate and is inflation-indexed while the other half is nominal yield exposure.

The yield exposure is distributed with an exposure 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 while 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.

Sund≈Bælt

Yield exposure disclosed in nominal notional amounts 2020, Femern A/S (DKK million)

Yield buckets	0-1 years	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Nominal value	Fair value
Securities	4,400	2,232	0	0	0	0	6,632	6,688
Bond loans and debt	0	0	0	0	0	-11,750	-11,750	-12,757
Interest rate and currency swa	0	0	0	0	0	0	0	0
Currency futures	0	0	0	0	0	0	0	0
Other derivatives	0	0	0	0	0	0	0	0
Cash at bank and in hand	209	0	0	0	0	0	209	209
Net debt	**4,609**	**2,232**	**0**	**0**	**0**	**-11,750**	**-4,909**	**-5,860**
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	-6,420	0	0	-5,330
Of this, real rate instruments	0	0	0	0

Yield exposure disclosed in nominal notional amounts 2019, Femern A/S (DKK million)

Yield buckets	0-1 years	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Nominal value	Fair value
Securities	5,511	2,870	0	0	0	0	8,381	8,461
Bond loans and debt	0	0	0	-1,850	0	-9,900	-11,750	-12,617
Interest rate and currency swa	0	0	0	0	0	0	0	0
Currency futures	0	0	0	0	0	0	0	0
Other derivatives	0	0	0	0	0	0	0	0
Cash at bank and in hand	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**

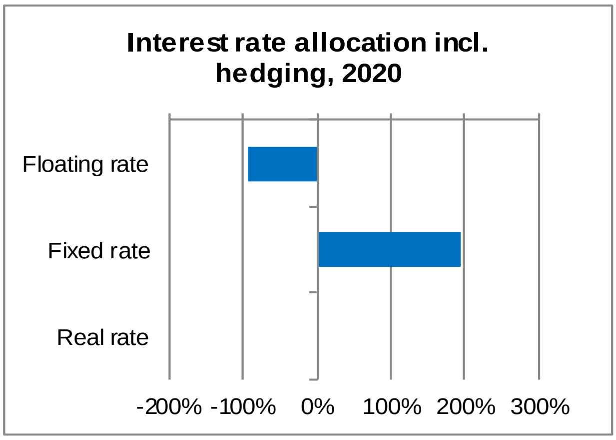
Yield exposure > 5 years is allocated as follows (DKK million)

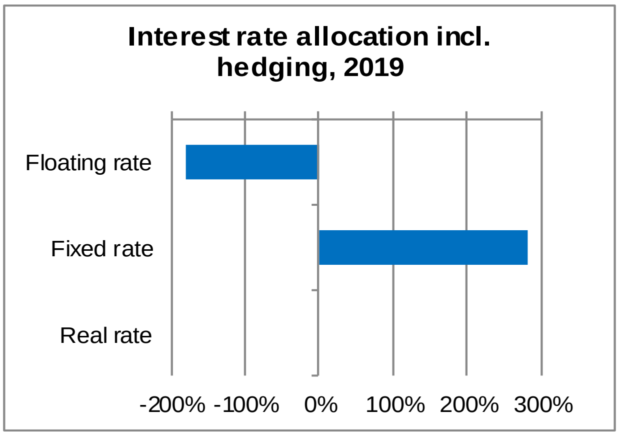
Yield buckets	5-10 years	10-15 years	15-20 years	> 20 years
Net debt	-9,900	0	0	0
Of this, real rate instruments	0	0	0	0

The yield exposure is primarily exposed to maturities of 7-30 years.

Interest rate allocation

2020	Interest rate allocation in per cent	2019
-93.9	Floating rate	-181.5
193.9	Fixed rate	281.5
0.0	Real rate	0.0
100.0	**Total**	**100.0**





Femern A/S has obtained financing for most of the coming year and the surplus proceeds have been invested in secure government bonds and mortgage bonds.

The yield exposure is distributed with an exposure of 203.6 per cent to interest rates in DKK and -103.6 per cent in EUR.

Sensitivity to an interest rate change of 1 percentage point will, in relation to the cash flows over the coming financial year, have an impact of around DKK 49 million, which is solely attributed to the investment of excess liquidity in securities with a short remaining maturity and the proceeds from advance loans.

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

The duration indicates the average time to maturity of the net debt. A high duration entails a low interest rate fixing risk as 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 (DKK million)

2020 Duration (years)	BPV	Fair value		2019 Duration (years)	BPV	Fair value
4.4	5.6	-12,653	Nominal debt	4.2	5.6	-13,123
6.2	4.5	-7,368	Real rate debt	7.1	5.3	-7,495
5.1	10.1	-20,021	Net debt	5.3	10.9	-20,618

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

Rate sensitivity can be calculated at DKK 10.1 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.

A/S Storebælt's duration totalled 5.1 years at the end of 2020 of which 4.4 years relate to the nominal debt and 6.2 years to the real rate debt.

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 1,067 million (2019: DKK 1,136 million) with an interest rate fall and a fair value gain of DKK 978 million (2019: 1,034 million) with an interest rate rise.

Duration, A/S Øresund (DKK million)

2020 Duration (years)	BPV	Fair value		2019 Duration (years)	BPV	Fair value
9.4	6.9	-7,312	Nominal debt	9.1	6.4	-6,994
9.9	5.6	-5,687	Real rate debt	10.7	6.1	-5,687
9.6	12.5	-12,999	Net debt	9.8	12.5	-12,681

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 9.6 years at the end of 2020 of which 9.4 years relate to the nominal debt and 9.9 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 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 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 1,386 million (2019: 1,383 million) with an interest rate fall and a fair value gain of DKK 1,189 million (2019: 1,188 million) with an interest rate rise.

Duration, A/S Femern Landanlæg (DKK million)

2020 Duration (years)	BPV	Fair value		2019 Duration (years)	BPV	Fair value
22.0	7.1	-3,243	Nominal debt	34.7	5.8	-1,661
47.6	14.8	-3,103	Real rate debt	53.8	13.1	-2,430
34.5	21.9	-6,346	Net debt	46.0	18.9	-4,091

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 34.5 years at the end of 2020 of which 22.0 years relate to the nominal debt and 47.6 years to the real rate debt. Interest rate sensitivity can be calculated at DKK 21.9 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. 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 2,601 million (2019: DKK 2,216 million) with an interest rate fall and a fair value gain of DKK 1,875 million (2019: 1,565 million) with an interest rate rise.

Duration, Femern A/S (DKK million)

2020 Duration (years)	BPV	Fair value		2019 Duration (years)	BPV	Fair value
38.0	22.3	-5,860	Nominal debt	20.9	8.2	-3,942
0.0	0.0	0	Real rate debt	0.0	0.0	0
38.0	22.3	-5,860	Net debt	20.9	8.2	-3,942

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

Femern A/S duration totalled 38.0 years at the end of 2020 and is exposed only to nominal instruments. The interest rate sensitivity can be calculated at DKK 22.3 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 2,579 million (2019: DKK 863 million) with an interest rate fall and a fair value gain of DKK 1,951 million (2019: 788 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 investment of excess liquidity, receivables from derivative transactions and trade receivables.

The credit policy for the investment 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.

The companies' derivative transactions are generally 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 an 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 2020, A/S Storebælt

Total counterparty exposure (market value) Rating	Deposits	Derivatives without netting	Derivatives with netting	Collateral	Number of counterparties
AAA	1,163	0	0	0	1
AA	0	641	126	0	3
A	0	426	140	73	5
BBB	0	0	0	0	1
Total	**1,163**	**1,067**	**266**	**73**	**10**

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

Total counterparty exposure (market value) Rating	Deposits	Derivatives without netting	Derivatives with netting	Collateral	Number of counterparties
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**

A/S Storebælt has 10 financial counterparties, including Germany as bond issuer, while the business volume with the remaining 9 counterparties is primarily related to derivative transactions of which 7 counterparties are covered by collateral agreements.

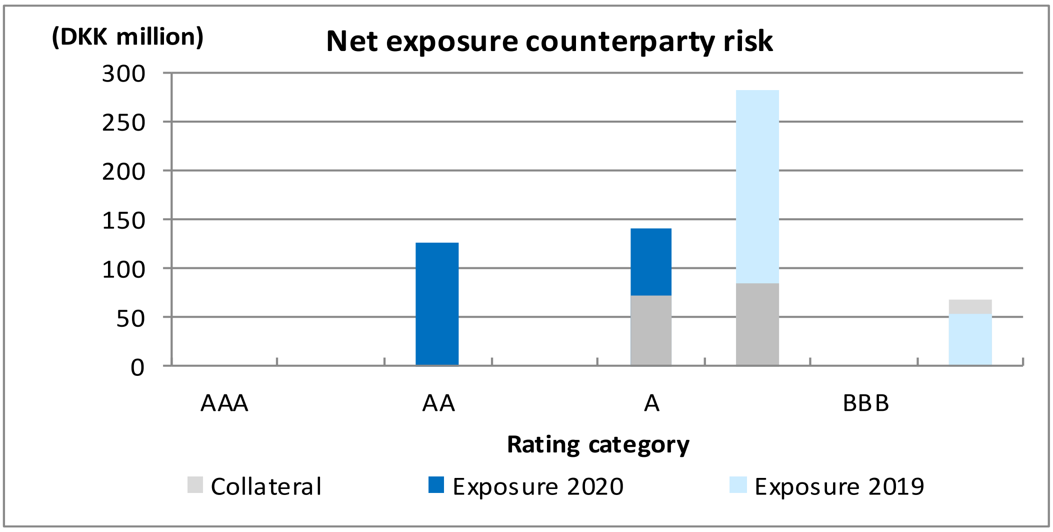
Credit exposure is primarily exposed to the AA and A rating category and is largely covered by collateral agreements.

Counterparty exposure to counterparties with collateral agreements totals DKK 72 million and collateral amounts to DKK 73 million. Counterparty exposure without collateral agreements totals DKK 194 million, primarily in the AA and A rating category.

A/S Storebælt has pledged collateral for DKK 1,057 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 2020 and 2019, A/S Storebælt



Credit risks on financial assets recognised at fair value distributed on credit quality 2020, A/S Øresund

Total counterparty exposure (market value) Rating	Deposits	Derivatives without netting	Derivatives with netting	Collateral	Number of counterparties
AAA	901	0	0	0	1
AA	0	313	62	60	2
A	0	987	899	933	5
BBB	0	0	0	0	1
Total	**901**	**1,300**	**961**	**993**	**9**

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 counterparties
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**

A/S Øresund has 9 financial counterparties, including Germany as bond issuer, while the business volume with the remaining 8 counterparties is related to derivative transactions of which all counterparties are covered by collateral agreements.

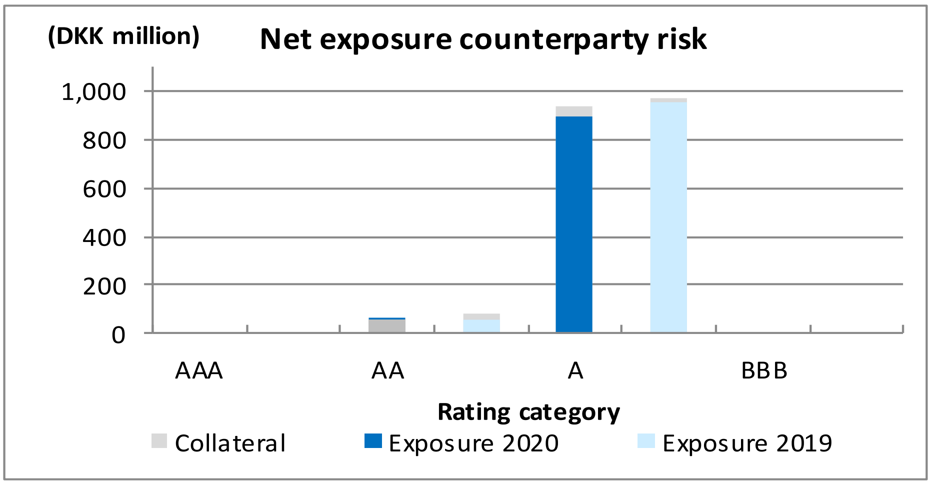
The credit exposure is primarily concentrated in the A rating category and largely covered by collateral agreements.

Counterparty exposure to counterparties with collateral agreements totals DKK 961 million and collateral amounts to DKK 993 million. There is no exposure to counterparties without collateral.

A/S Øresund has pledged collateral for DKK 769 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 2020 and 2019, A/S Øresund



Credit risks on financial assets recognised at fair value distributed on credit quality 2020, 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	1,944	0	0	0	1
AA	0	117	0	0	1
A	0	344	132	143	2
BBB	0	0	0	0	0
Total	**1,944**	**461**	**132**	**143**	**4**

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**

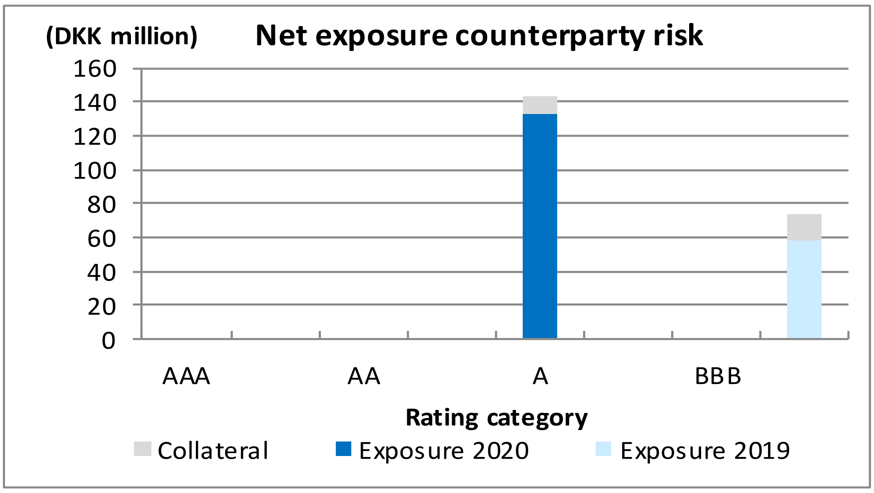
A/S Femern Landanlæg has 4 financial counterparties, including Germany as bond issuer, while the business volume with the remaining 3 counterparties is related to derivative transactions of which all counterparties are covered by collateral agreements.

The credit exposure is primarily concentrated in the A-rating category and covered by collateral agreements. Counterparty exposure to counterparties with collateral agreements totals DKK 132 million and collateral amounts to DKK 143 million. There is no exposure to counterparties without collateral.

A/S Femern Landanlæg has pledged collateral for DKK 1,769 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 2020 and 2019, A/S Femern Landanlæg



Credit risks on financial assets recognised at fair value distributed on credit quality 2020, Femern A/S

Total counterparty exposure (market value) **Rating**	**Deposits**	**Deriva-tives without netting**	**Deriva-tives with netting**	**Collateral**	**Number of counter-parties**
AAA	6,688	0	0	0	4
AA	0	0	0	0	1
A	0	0	0	0	0
BBB	0	0	0	0	0
Total	**6,688**	**0**	**0**	**0**	**5**

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

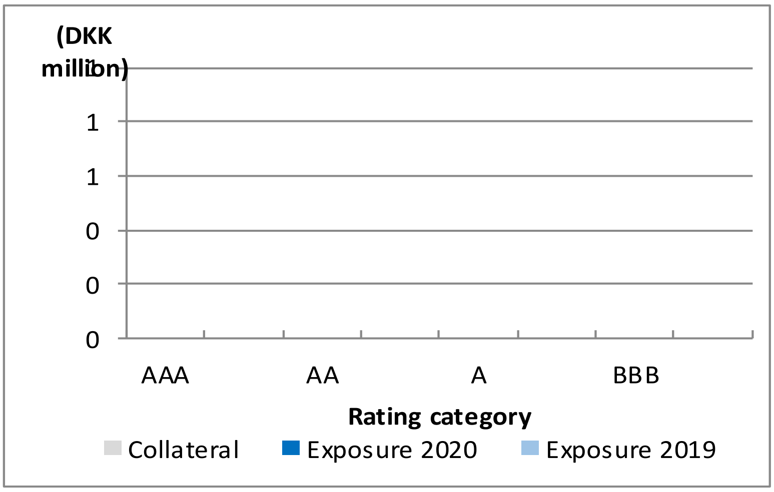
Total counterparty exposure (market value)

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**

On the balance sheet date, Femern A/S had credit exposures in connection with the placement of excess liquidity in Danish mortgage bonds and German government bonds with short remaining maturity. The Danish mortgage bonds of DKK 2,718 million and the German government bonds of DKK 3,970 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 2020 and 2019, 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 on financial derivatives (DKK million), A/S Storebælt, 2020

Maturity	0-1 years	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Principal amount							
Debt	-2,267	-2,500	-3,304	0	-2,832	-7,878	-18,781
Derivatives liabilities	-484	0	0	0	-462	-29	-975
Derivatives receivables	447	0	0	0	0	0	447
Assets	372	781	0	0	0	0	1,153
Total	**-1,932**	**-1,719**	**-3,304**	**0**	**-3,294**	**-7,907**	**-18,156**
Interest payments							
Debt	-184	-116	-156	-81	-81	-344	-962
Derivatives liabilities	-106	-57	-57	-105	-178	-224	-727
Derivatives receivables	110	27	13	0	1	123	274
Assets	0	0	0	0	0	0	0
Total	**-180**	**-146**	**-200**	**-186**	**-258**	**-445**	**-1,415**

Maturity on debt as well as liabilities and receivables on financial derivatives (DKK million), 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
Derivatives liabilities	-2,077	-280	0	0	0	-482	-2,839
Derivatives 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
Derivatives liabilities	-172	-102	-52	-49	-102	-420	-897
Derivatives 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 on financial derivatives (DKK million), A/S Øresund, 2020

Maturity	0-1 years	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Principal amount							
Debt	-650	-1,200	-1,700	-2,062	-800	-4,583	-10,995
Derivatives liabilities	0	0	0	-1,413	0	-218	-1,631
Derivatives receivables	0	0	0	1,412	0	0	1,412
Assets	74	818	0	0	0	0	892
Total	**-576**	**-382**	**-1,700**	**-2,063**	**-800**	**-4,801**	**-10,322**
Interest payments							
Debt	-291	-269	-267	-241	-97	-1,032	-2,197
Derivatives liabilities	-78	-86	-87	-100	-62	-777	-1,190
Derivatives receivables	112	115	123	99	0	655	1,104
Assets	0	0	0	0	0	0	0
Total	**-257**	**-240**	**-231**	**-242**	**-159**	**-1,154**	**-2,283**

Maturity on debt as well as liabilities and receivables on financial derivatives (DKK million), 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
Derivatives liabilities	0	0	0	0	-1,419	-208	-1,627
Derivatives 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
Derivatives liabilities	-93	-94	-86	-79	-99	-599	-1,050
Derivatives 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 on financial derivatives (DKK million), A/S Femern Landanlæg, 2020

Maturity	0-1 years	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Principal amount							
Debt	-250	-1,650	0	0	-1,243	-3,150	-6,293
Derivatives liabilities	-5	0	0	0	0	-96	-101
Derivatives receivables	6	18	17	0	0	16	57
Assets	1,785	149	0	0	0	0	1,934
Total	**1,536**	**-1,483**	**17**	**0**	**-1,243**	**-3,230**	**-4,403**
Interest payments							
Debt	-31	-22	-18	-18	-20	-53	-162
Derivatives liabilities	-1	-46	-58	-31	-29	-1,654	-1,819
Derivatives receivables	0	0	0	0	0	245	245
Assets	0	0	0	0	0	0	0
Total	**-32**	**-68**	**-76**	**-49**	**-49**	**-1,462**	**-1,736**

Maturity on debt as well as liabilities and receivables on financial derivatives (DKK million), 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
Derivatives liabilities	-9	0	0	0	0	-84	-93
Derivatives 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
Derivatives liabilities	-28	-13	-48	-58	-30	-669	-846
Derivatives 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 on financial derivatives (DKK million), Femern A/S, 2020

Maturity	0-1 years	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Principal amount							
Debt	0	0	0	0	0	-11,750	-11,750
Derivatives liabilities	-1,116	0	0	0	0	0	-1,116
Derivatives receivables	1,116	0	0	0	0	0	1,116
Assets	4,400	2,232	0	0	0	0	6,632
Total	**4,400**	**2,232**	**0**	**0**	**0**	**-11,750**	**-5,118**
Interest payments							
Debt	-45	-45	-45	-45	-45	-424	-649
Derivatives liabilities	0	0	0	0	0	0	0
Derivatives receivables	0	0	0	0	0	0	0
Assets	27	0	0	0	0	0	27
Total	**-18**	**-45**	**-45**	**-45**	**-45**	**-424**	**-622**

Maturity on debt as well as liabilities and receivables on financial derivatives (DKK million), 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
Derivatives liabilities	0	0	0	0	0	0	0
Derivatives 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
Derivatives liabilities	0	0	0	0	0	0	0
Derivatives receivables	0	0	0	0	0	0	0
Assets	16	27	0	0	0	0	43
Total	**-150**	**-50**	**-77**	**-77**	**-50**	**-149**	**-553**

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 26 Profitability

A/S Storebælt

A/S Storebælt's debt is repaid from the revenue with the road and rail traffic. In the long-term profitability calculation, the repayment period is calculated on the Ministry of Finance's long-term interest rate estimate for a 10-year government bond from August 2020 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 regarding a 25 per cent reduction in toll charges and the obligation to co-finance the extension of the Funen Motorway to the amount of DKK 2.1 billion (in 2017 prices) resulted in the repayment period being extended to 34 years, whereby the debt is expected to be repaid in 2032. For 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 Finance Act of 2016. For A/S Storebælt, revenue depends on actual train traffic. The lowering of the railway payment resulted in a reduction in rail revenues of DKK 270 million (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 (2008 prices) until the financial year 2022. In addition, there is the obligation with regard to the aforementioned co-financing of the Funen Motorway to the tune of DKK 2.2 billion (in 2018 prices).

After distribution of an expected dividend of DKK 1,378 million for the 2020 financial year, a total of DKK 9,821 million will have been paid to the shareholder. Of the total distribution, DKK 9,000 million relates to the co-financing of the political agreement, 'A Green Transport Policy' from 2009 and DKK 821 million to the co-financing of the expansion of the Funen Motorway. At current prices, there remains approx. DKK 1.6 billion relating to 'A green transport policy' and DKK 1.4 billion relating to the financing of the Funen Motorway.

The main uncertainties in the profitability calculations relate to the long-term traffic developments and the estimate of the interest rate development, which is based on the Ministry of Finance's interest rate estimate.

In 2021, positive traffic growth is expected for passenger cars, which in part makes up for the lost traffic in 2020 caused by the Covid-19 pandemic. Lorries are expected to show zero growth. Traffic growth will gradually increase towards a long-term level of 1.5 per cent for passenger cars and 1.0 for lorries from 2025. Operating expenses are based on assumed annual efficiency improvements of 2 per cent per annum until 2024 after which they are expected to rise in line with general inflation. There is also some uncertainty about the size and timing of the reinvestments in the railway system.

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 payment from Øresundsbro Konsortiet I/S, which is 50 per cent owned by A/S Øresund. In the long-term profitability calculation, the repayment date is calculated on the Ministry of Finance's long-term interest rate estimate for a 10-year government bond from August 2020 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 will gradually be reduced until 2024 and will be reduced by a total of DKK 200 million (2016 prices) when fully phased in. This also includes the fact that A/S Øresund is required to cover the railway payment for Øresundsbro Konsortiet I/S, which was previously financed by the Finance Act.

As a consequence of 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 immediately utilise the tax losses in A/S Øresund towards paying the proceeds of the tax savings to A/S Øresund. A/S Øresund can thus carry forward the use of its tax losses over time.

The repayment period for A/S Øresund is calculated at 46 years, which is a reduction of one year compared to last year's financial statements. This is primarily due to the effect of a lower expected interest rate estimate, which is now based on the Ministry of Finance's latest long-term interest rate estimate. In counterbalance is 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 the downward adjustment of traffic revenues due to the Covid-19 pandemic.

The calculation of the repayment period is based on the dividend policy adopted in 2018.

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

Profitability: the Fehmarnbelt project
On 7 December 2020, Femern A/S published a new financial analysis of the overall economy of the Fehmarnbelt project (the coast-to-coast link and the Danish landworks). The update is based on the EU Commission's decision on State Aid of 20 March 2020 concerning the financing of the Fehmarnbelt fixed link.

The analysis shows that the entire Fehmarnbelt project can be repaid 28 years after its opening, and that this marks an improvement of eight years compared to the most recent financial analysis from 2017. This is due to lower financing expenses as Femern A/S can obtain financing at a significantly lower real interest rate than originally assumed. The State Aid decision relates to the coast-to-coast link and contains conditions that the guarantee period is limited to the 16th year of operation, that a ceiling be introduced on the total state-guaranteed debt of DKK 69.3 billion and that Femern A/S pays a guarantee commission of 2 per cent.

Note 27 Trade and other payables

Sund & Bælt Holding A/S			Sund & Bælt Group	
2019	**2020**		**2020**	**2019**
22	35	Trade payables	355	413
279	2	Debt group enterprises - group companies	0	0
0	0	Debt, Øresundsbro Konsortiet I/S	36	42
0	1	Guarantee commision payable	71	52
20	35	Other payables	198	107
322	**73**	**Total**	**660**	**614**

Note 28 Accruals and deferred income

Sund & Bælt Holding A/S			Sund & Bælt Group	
2019	**2020**		**2020**	**2019**
0	0	Accrued interest, financial instruments	357	405
0	0	Prepaid income	52	55
0	0	Other accruals	3	3
0	**0**	**Accruals and deferred income, total**	**412**	**464**

Accrued interest, financial instruments, are specified in Note 24 Net debt.

Note 29 Contractual obligations, contingent liabilities and collateral

The Group's contractual obligations comprise construction, operational and maintenance contracts entered into with expiry dates up to 2024 at an overall balance of DKK 426 million (DKK 215 million in 2018). At year end, completed work under contracts amounted to DKK 89 million (DKK 159 million in 2019).

With effect from 1 January 2021, Femern A/S has entered into agreements related to land acquisitions and compensation for the future decommissioning of wind turbines in the Fehmarnbelt construction area. The contractual obligations amount to DKK 73 million.

As a natural part of the contractual relationship between the company and its contractors, Femern A/S has received a number of demands for additional payments, etc. in addition to what was agreed in the contracts concluded between the parties. These demands are dealt with on an ongoing basis and are recognised in the accounts when there is clarification of each individual demand. The scale of the demands is subject to some uncertainty, but it is estimated that the demands will be manageable within the framework of the project's budget.

In accordance with the Act on Ferry Operations, A/S Storebælt is required, to 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 in 2018) with regard to the operation of the service for a period of 10 years with the option of a further two years. In 2021, costs are expected to amount to DKK 35 million.

In 2013, the former 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 ruled that the guarantees are covered by the State Aid rules, and that they are in compliance with these rules. HH Ferries *et al* brought this before the European Court of Justice, which reached a decision on 19 September 2018. This resulted in an annulment of the EU Commission's decision from 2015. The judgement does not state whether or not the State Aid was illegal only that the Commission had committed several procedural errors. The EU Commission then launched a formal investigation procedure, and a decision was expected in 2020. This, however, turned out not to be the case due, among other things, to the Covid-19 pandemic. It is not currently known when a new decision will become available. Øresundsbro Konsortiet I/S' view is that it cannot be ruled out that this matter will result in some repayment of previously received support in the form of guarantees, etc. It is not possible to quantify this uncertainty.

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 1,057 million to hedge outstanding exposure from derivative transactions in favour of three counterparties. A/S Øresund has currently pledged collateral for DKK 769 million to hedge outstanding exposure from derivative transactions in favour of four counterparties. A/S Femern Landanlæg has pledged collateral for DKK 1,769 million to hedge outstanding exposure from derivative transactions in favour of two financial counterparties.

Sund & Bælt Holding A/S is the administration company in a 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 30 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 via Sund & Bælt Holding	Guarantee for the company's debt Guarantee commission	Determined by legislation. Accounts for 0.15 per cent of nominal
Ministry of Transport	Copenhagen	100 per cent ownership via Sund & Bælt Holding	Consultancy	Market price
Danish Road Directorate	Copenhagen	Owned by the Ministry of Transport	Consultancy	Market price
Fjord Link Frederikssund	Frederikssund	Owned by the Ministry of Transport	Management of operational tasks Construction work	Market price
Banedanmark	Copenhagen	Owned by the Ministry of Transport	Payment for use of rail link Consultancy Construction and maintenance work	Determined by the Minister of Transport
Metroselskabet I/S	Copenhagen	Partly owned by the Danish State	Consultancy	Market price
Øresundsbro konsortiet I/S	Copenhagen/ Malmø	50 per cent ownership of partnership via A/S Øresund Partly common board members Common CFO	Management of operational tasks	Market price
A/S Storebælt	Copenhagen	Subsidiary of Sund & Bælt Holding A/S Common Management Board	Management of operational tasks Joint taxation contribution	Market price
A/S Øresund	Copenhagen	Subsidiary of Sund & Bælt Holding A/S Common Management Board	Management of operational tasks Joint taxation contribution	Market price
Femern A/S	Copenhagen	Subsidiary of A/S Femern Landanlæg	Consultancy Joint taxation contribution	Market price
A/S Femern Landanlæg	Copenhagen	Subsidiary of Sund & Bælt Holding A/S Common Management Board	Management of operational tasks Joint taxation contribution	Market price
Sund & Bælt Partner A/S	Copenhagen	Subsidiary of Sund & Bælt Holding A/S Common Management Board	Management of common functions Joint taxation contribution	Market price
Brobizz A/S	Copenhagen	Subsidiary of Sund & Bælt Holding A/S	Management of common functions Joint taxation contribution	Market price
BroBizz Operatør A/S	Copenhagen	Subsidiary of Brobizz A/S	Management of common functions Joint taxation contribution	Market price

Related party	Description	Amount 2020	Amount 2019	Balance at 31 December 2020	Balance at 31 December 2019
The Danish State	Guarantee commission	-71,967	-67,537	-70,600	-68,178
Ministry of Transport	Consultancy	-601	-1,023	-120	183
Danish Road Directorate	Consultancy	11,726	-1,347	-476	-291
Fjord Link Frederikssund	Management of operational tasks	-17,782	79	-127	31
	Consultancy	691	-1,334	132	-522
	Construction w ork	0	10,082	0	-2,521
Metroselskabet I/S	Consultancy	2,199	2,194	682	682
Banedanmark	Payment for use of rail link	315,156	342,755	-2,803	33,281
	Consultancy	12,071	18,428	3,788	10,441
	Construction and maintenance w ork	-1,083,964	-972,276	-53,498	-100,050
Øresundsbro Konsortiet I/S	Management of subsi-diary's operational tasks	-6,404	-7,600	0	-1,000
	Purchase of operational tasks	-380,680	-354,300	-35,469	-41,300
A/S Storebælt	Management of subsi-diary's operational tasks	93,250	65,051	17,104	844
	Common functions	930	-764	583	-456
	Joint taxation contribution	268,439	250,079	268,439	250,079
A/S Øresund	Management of subsi-diary's operational tasks	27,779	30,700	3,333	-637
	Joint taxation contribution	-12,821	-200,400	-12,821	-204,209
Sund & Bælt Partner A/S	Management of subsi-diary's operational tasks	46	45	6	0
	Joint taxation contribution	28	66	28	66
Femern A/S	Management of subsi-diary's operational tasks	95,016	28,112	12,826	2,549
	Joint taxation contribution	-41,618	-77,005	-41,618	-77,005
A/S Femern Landanlæg	Management of subsi-diary's operational tasks	7,338	8,436	971	0
	Joint taxation contribution	-90,261	25,945	-90,261	25,071
BroBizz A/S	Management of subsi-diary's operational tasks	28,541	13,263	13,006	1,800
	Joint taxation contribution	564	-3,000	564	-1,700
BroBizz Operatør A/S	Management of subsi-diary's operational tasks	1,170	1,000	128	0
	Consultancy	-612	9,267	-801	3,718
	Joint taxation contribution	-386	-119	-386	-119

Note 31 Events after the balance sheet date

No events have occurred after the balance sheet date that are of significance to the 2020 Annual Report.

Note 32 Approval of the Annual Report for publication

At the Board meeting on 24 March 2021, 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 19 April 2021.

Endorsements

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 2020 for Sund & Bælt Holding A/S.

The Annual Report has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional requirements in the Danish Financial Statements Act.

It is our view that the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31 December 2020, as well as the results of the company's activities and cash flow for the financial year 1 January - 31 December 2020.

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

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

Copenhagen, 24 March 2021

Management Board

Mikkel Hemmingsen CEO	Claus F. Baunkjær Director

Board of Directors

Peter Frederiksen Chairman	Jørn Tolstrup Rohde Vice-Chairman
Walter Christopherson	Claus Jensen
Ruth Schade	Lene Lange
Erik Skotting	Susanne J. Monferré
Michael Hannibal	Jens Villemoes
Martin Duus Havelykke	Christina Bendixen Würtz

Independent auditor's report

To the shareholder of Sund & Bælt Holding A/S

Our opinion
We have audited the consolidated financial statements and the annual financial statements for Sund & Bælt Holding A/S for the financial year 1 January 2020 – 31 December 2020, 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. The consolidated financial statements and the financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional requirements in the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the annual financial statements give a true and fair view of the Group and the company's assets, liabilities and financial position at 31 December 2020 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

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 Consolidated Financial Statements and the Annual Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants (IESBA code) and the ethical requirements that are relevant in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these rules and requirements. 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
The Management Board is responsible for the Management Report.

Our opinion on the consolidated financial statements and the annual 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 consolidated financial statements and the annual financial statements, our responsibility is to read the Management Report and, in doing so, consider whether the Management Report is materially inconsistent with the consolidated financial statements or annual 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 consolidated financial statements and the annual 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 consolidated financial statements and the annual financial statements
Management is responsible for the preparation of consolidated 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 as well as for the preparation of annual financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and annual 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 consolidated financial statements and the annual financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and annual 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 in the consolidated financial statements and annual 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 Group's and Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude whether the Management's preparation of the consolidated financial statements and the annual financial statements on the going concern basis of accounting is appropriate, 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 consolidated financial statements and annual 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 consolidated financial statements and annual 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.

Copenhagen, 24 March 2021

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR-no. 33 96 35 56

Anders Oldau Gjelstrup	**Jakob Lindberg**
State-Authorised Public Accountant	State-Authorised Public Accountant
MNE-no 10777	MNE-no 40824

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
Interest-bearing net debt consists of financial assets and liabilities stated at amortised cost, excluding interest due and 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 interest rates, exchange rates and inflation.

Fair value adjustment
An accounting principle in financial reporting according to which the value of assets/liabilities is 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.

Credit 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 and long-term. The rating follows a scale, with AAA being the best rating, AA the second best etc. The Danish State, which guarantees 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.