A/S Øresundsforbindelsen

Annual Report 2020

Chair of the Annual General Meeting: Charlotte Yun Linde
Approved at the Annual General Meeting: 19 April 2021

A/S Øresundsforbindelsen, Vester Søgade 10, 1601 Copenhagen V, CVR 15807830

Contents

Highlights of the year

Economy
The result before fair value adjustment and tax, including the share from Øresundsbro Konsortiet I/S, is a profit of DKK 17 million and is thus approximately DKK 170 million lower compared to 2019.

This was primarily affected by lower revenue for Øresundsbro Konsortiet due to the Covid-19 pandemic. Revenue thus fell by approximately DKK 490 million, of which 50 per cent, corresponding to DKK 245 million, can be attributed to A/S Øresund's ownership share. The phased reduction of the rail fee had a negative impact on revenue at DKK 21 million. In addition is lower interest income, which had a positive effect on the financial result.

The result before tax, including value adjustments, is a loss of DKK 375 million and is affected by negative fair value adjustments of DKK 392 million. The result after tax is a loss of DKK 293 million.

Profitability
The repayment period for A/S Øresund is 46 years, which is a reduction of one year compared to last year's calculation, primarily as a result of a postponement of the dividend payment from Øresundsbro Konsortiet I/S as a consequence of the EU Commission's annulment of State Aid approval. The debt will thus be repaid in 2046.

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.

Key figures and financial ratios

(DKK million)	2020	2019	2018	2017	2016
Net revenue	20	41	70	81	101
Other external expenses	-40	-96	-98	-97	78
Depreciation, amortisation and writedowns	-207	-221	-252	-334	-192
Operating loss (EBIT)	-226	-277	-280	-350	-169
Financial items excl. value adjustment	-159	-173	-202	-205	-226
Loss before value adjstmts.	-385	-450	-482	-555	-395
Value adjustments, net	-214	-470	109	261	-460
Share of results in jointly managed company					
(Øresundsbro Konsortiet I/S*))	223	427	691	734	405
Profit/loss	**-293**	**-384**	**251**	**341**	**-351**
Capital investment for the year, road and railway	59	24	14	14	13
Capital investment, road and railway, closing balance	4,677	4,825	5,022	5,260	5,579
Net debt (fair value)	**12,999**	**12,681**	**12,278**	**12,647**	**12,957**
Interest-bearing net debt	11,169	11,018	11,017	11,236	11,190
Equity	-6,709	-6,416	-6,033	-6,267	-6,608
Balance sheet total	8,537	8,677	8,212	8,203	8,416
Cash flow from operating activities	113	263	-173	362	-36
Cash flow from investing activities	-105	-294	521	-14	-14
Cash flow from financing activities	-141	165	-348	-273	-87
Total cash flow	**-134**	**134**	**0**	**75**	**-137**
Financial ratios, per cent					
Profit ratio (EBIT)	-1140.9	-675.1	-400.0	-431.5	-167.3
Rate of return (EBIT)	-2.6	-3.2	-3.4	-4.3	-2.0
Return on facilities (EBIT)	-4.8	-5.7	-5.6	-6.6	-3.1

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

*) Øresundsbro Konsortiet I/S's results for 2020 include 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 result before financial value adjustments, the share of the jointly managed company and tax, is a loss of DKK 385 million against a loss of DKK 450 million in 2019.

Net revenue totals DKK 20 million and mainly comprises fees from Banedanmark for use of the rail link. Revenue fell by DKK 21 million as a consequence of the agreement in the Finance Act of 2016 wherein it was decided that the rail payment will be gradually reduced until 2024.

Operating expenses total DKK 40 million and are DKK 56 million lower compared to 2019. This is primarily due to a VAT refund of DKK 42 million for the period 2016-2020.

In 2020, interest expenses continued to fall, which was due in part to the impact of the continued fall in market rates and in part to lower inflation indexation.

In 2020, fair value adjustments amounted to an expense of DKK 214 million against an expense of DKK 470 million in 2019. Fair value adjustments are an accounting item with no effect on the repayment period for the company's debt as the debt is repaid at nominal value.

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 loss (EBIT)	-226		-226	-277
Financial items excl. value adjustment	-372	214	-159	-173
Loss before share of jointly managed company	**-598**		**-385**	**-450**
Profit from jointly managed company	223	178	401	641
Profit/loss before fair val. adjstmts. and tax	**-375**		**17**	**191**
Fair value adjustment		-392	-392	-683
Loss before tax	**-375**		**-375**	**-492**
Tax	83		83	108
Loss	**-293**		**-293**	**-384**

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. The share of the result was affected by a fall in net revenue of almost DKK 245 million due to the Covid-19 pandemic.

The year's result before fair value adjustments and tax is a profit of DKK 17 million including the share of the profit in Øresundsbro Konsortiet I/S.

Tax on the year's result is an income of DKK 83 million. The result after tax is a loss of DKK 293 million.

In the interim financial statements for Q3, the outlook for A/S Øresund's annual results before financial value adjustment and tax was a loss in the order of DKK 100-200 million. The improvement is due in part to a slightly lower-than-expected decline in road revenue and in part to the VAT refund as referred to above.

Equity as at 31 December 2020 was negative at DKK 6,709 million. The company's equity is expected to remain negative for a considerable number of years. On the basis of the estimated operating results for the company and Øresundsbro Konsortiet I/S, equity is expected to be restored within 20 years, calculated from the end of 2020. Future operating results are estimated on the basis of the Ministry of Transport's fixed fee from Banedanmark for use of the rail link and the traffic forecasts for the Øresund Bridge where the operating results are recognised at 50 per cent corresponding to the ownership share.

It should be noted that under the terms of *the Act on Sund & Bælt Holding 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 company's borrowings. In addition, and without further notification of each individual case, the Danish State guarantees the company's other financial liabilities. Øresundsbro Konsortiet A/S' debt is guaranteed jointly and severally by the Danish and Swedish States.

Cash flow from operations is positive at DKK 113 million.

Cash flow from investing is negative and amounts to DKK 105 million owing to the acquisition of tangible assets and the purchase of securities.

The free cash flow is positive at DKK 8 million and arises on the basis of operations less capital investments and expresses the company's ability to generate liquidity for the financing of interest and repayments on the company's liabilities.

Financing activities include borrowings, interest expenses and repayment on the debt liability, which represents disposals of DKK 1,141 million net.

In total, the company's cash and cash equivalents decreased by DKK 134 million. Thus, cash at bank and in hand was DKK 0 as at the end of 2020.

Finance
The main 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 Øresund's interest-bearing net debt increased by DKK 151 million in 2020.

At year end, the interest-bearing net debt totalled DKK 11,169 million for A/S Øresund.

Financial strategy
A/S Øresund's objective is to conduct an active and holistic financial management that minimises the long-term financing 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.

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

A/S Øresund's cautious strategy as regards credit risks meant that the company 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 nine years for A/S Øresund.

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.

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.

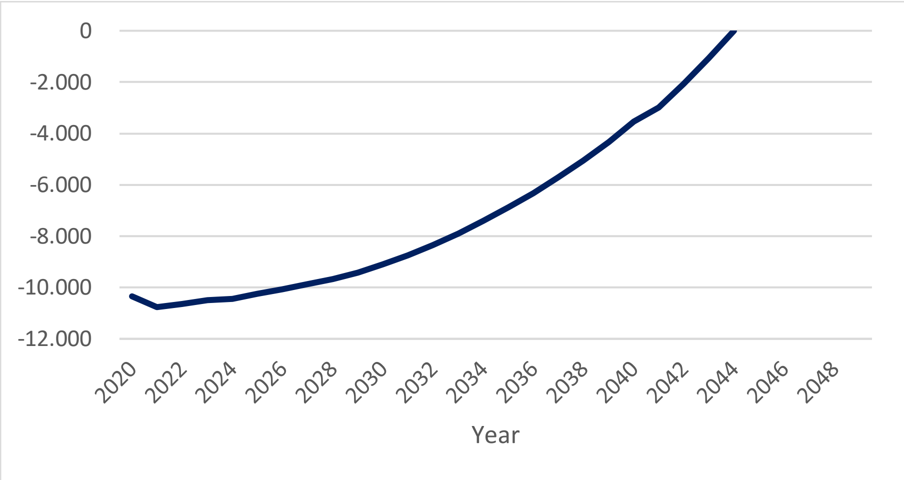
As a consequence of joint taxation with the Group's other companies, A/S Øresund obtains a cash-flow benefit. This is because joint taxation with A/S Storebælt means that A/S Storebælt can immediately utilise the tax losses in A/S Øresund towards paying the proceeds of the tax savings to A/S Øresund.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



For more details see Øresundsbro Konsortiet I/S's repayment period on page 10.

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 0-200 million of which the share of the results from Øresundsbro Konsortiet I/S is a profit of approximately DKK 535 million. The budget incorporates the expected effect of the continued closure of workplaces and national borders after New Year. 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 link across Øresund, while the uncertainty relating to financing expenses is assessed to be limited as interest rates and inflation are expected to remain low for some time to come.

Business areas

Road

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 similarly 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 the safety of 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 levels were 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 per day west of Ørestad and 52,389 vehicles per day east of Ørestad. Lorry traffic, however, fell by just 8.8 per cent on the motorway.

Key figures, DKK million

Road	**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**

Traffic development %

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

In 2020, expenses for the road include an 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 runs for four years after which it can be extended for up to four years.

Øresund railway
The Øresund railway comprises 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 section. 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 A/S Øresund.

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.

Climate protection on Amager
The Ullerup dyke is complete and now provides protection against a 1,000-year storm surge event. A/S Øresund 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
A/S Øresund 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 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

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**

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 no 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'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 corona 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' Annual Report or at www.oresundsbron.com.

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

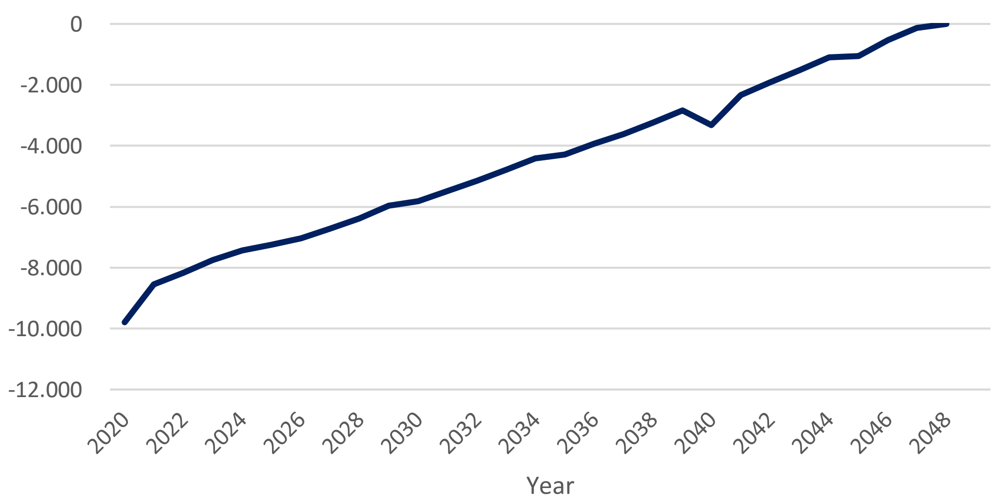
Key figures, DKK million

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

Statutory statement of Corporate Social Responsibility c.f. Section 99a of the Danish Financial Statements Act

With regard to the company's formal compliance with Section 99a of the Danish Financial Statements Act on reporting on corporate social responsibility, please refer to the parent company's Management Report 2020 under CSR – Corporate Social Responsibility, Corporate Governance, Environment and Climate, Employees and Targets for CSR work in 2021.

Statutory statement regarding the under-represented gender, c.f. Section 99b of the Danish Financial Statements Act.

The company meets the diversity requirements at top management level, which is why the company has not drawn up and accounted for a target figure. As the company has no employees, no policy has been put in place for increasing the underrepresented gender at other management levels.

The Annual Report for Sund & Bælt Holding A/S is available at: https://sundogbaelt.dk/publikationer/

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

Risk management and control environment

Certain events may prevent A/S Øresund 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 company is well aware. Some risks can be managed and/or reduced by the company itself while others are external events over which the company has no control. The company 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 company from such events, including operating losses for up to two years, are covered by insurances.

A/S Øresund's objective is to ensure that safety on the link is high and at least as high as on similar Danish infrastructure. So far, this objective has been met and the proactive safety work continues. The work is supported by regularly updated risk analyses.

In 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. 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, A/S Øresund 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 19 and 20, 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 adjustments 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. A/S Øresund 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.

A/S Øresund'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

A fundamental value for the Sund & Bælt Group 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 company's activities on the surrounding world.

The Group's overall trend is set out below

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 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 had a positive impact on fuel consumption.

The company converted all company vehicles from petrol to electricity in December 2020. Electricity consumption is therefore expected to increase in future whereas fuel consumption is expected to reduce 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 the many people employed on Sund & Bælt's infrastructure is crucial is the day-to-day work. The size and layout of the facilities as well as the traffic require constant focus on our contractors' and employees' working environment. 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 the 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.

For the second year running, no accidents involving absence from work were reported at A/S Øresund's facilities, workshops and offices in 2020.

Traffic safety on the road link

One of A/S Øresund's objectives is that it must be at least as safe to drive on the motorway section on the Øresund motorway as it is on other motorways in Denmark. A/S Øresund takes a proactive approach to traffic safety, i.e. by preventing accidents through analysis and by screening all incidents. In 2020, there were no accidents involving personal injury on the Øresund motorway (preliminary figures).

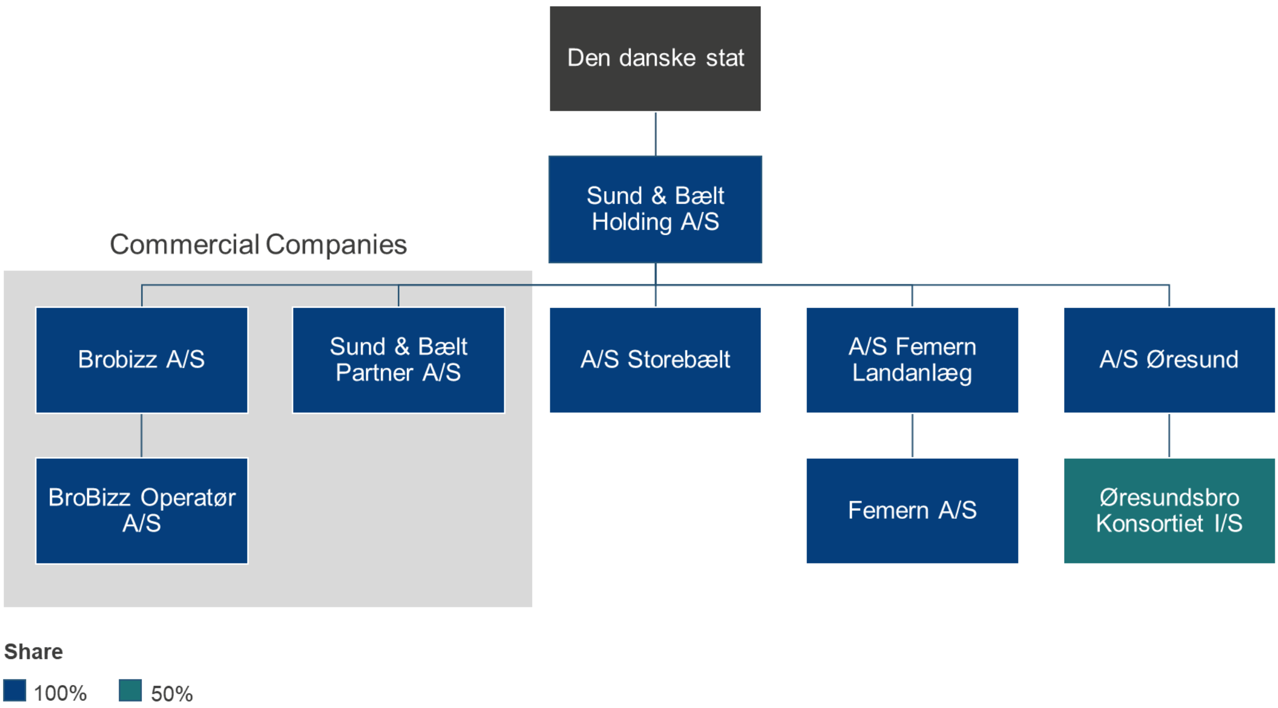
About A/S Øresund

Shareholder information

A/S Øresund is a limited company based in Denmark. A/S Øresund is a subsidiary of Sund & Bælt Holding A/S and is included in the consolidated accounts for Sund & Bælt Holding A/S, which is the ultimate parent company.

Sund & Bælt Holding A/S's entire share capital is owned by the Danish State.

Group overview



Main activity

A/S Øresund's primary tasks are to own and operate the fixed link across Øresund with related landworks. These tasks are managed with due consideration for the maintenance of high levels of accessibility and safety on the link. In addition, the repayment of loans raised to finance the facilities must be made within a reasonable time frame.

Board of Directors and Management Board

Board of Directors

Mikkel Hemmingsen
Chairman
CEO of:
Sund & Bælt Holding A/S
Election period expires 2022

Other positions held:
Chairman of:
A/S Storebælt
A/S Femern Landanlæg
Femern A/S
Brobizz A/S
BroBizz Operatør A/S
Sund & Bælt Partner A/S

Board member of:
Øresundsbro Konsortiet I/S

Areas of expertise
Management experience particularly in strategy, economy, socio-economic analysis and change management

Louise Friis
Vice-Chair
Chief Legal Officer at:
Sund & Bælt Holding A/S
Election period expires 2022

Other positions held
Vice-Chair of:
A/S Storebælt
A/S Femern Landanlæg
Femern A/S
Brobizz A/S
BroBizz Operatør A/S
Sund & Bælt Partner A/S

Areas of expertise
Transport policy, particularly relating to mega projects. Legal expertise in company law and rail and road legislation.

Mogens Hansen
CFO of:
Sund & Bælt Holding A/S
CEO of:
A/S Storebælt
A/S Øresund
A/S Femern Landanlæg
Election period expires 2022

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

Areas of expertise
Management experience in strategy, economy, IT, company law and contractual matters. Experience in the construction and operation of major infrastructure projects.

Management Board

Mogens Hansen
CEO

Financial statements

Comprehensive income statement 1 January – 31 December

(DKK million)

	Note	2020	2019
Net revenue			
Net revenue	4	20	41
Total net revenue		**20**	**41**
Expenses			
Other external expenses	5	-40	-97
Other operating income		2	0
Depreciation, amortisation and writedowns	7	-207	-221
Total expenses		**-246**	**-318**
Operating loss (EBIT)		**-226**	**-277**
Financial items	8		
Financial income		79	0
Financial expenses		-238	-173
Value adjustments, net		-214	-470
Total financial items		**-372**	**-643**
Loss before inclusion of share of results in jointly managed company		**-598**	**-919**
Share of results in jointly managed company		223	427
Loss before tax		**-375**	**-492**
Tax	9	83	108
Loss		**-293**	**-384**
Other comprehensive income		0	0
Tax on other comprehensive income		0	0
Comprehensive income		**-293**	**-384**

Balance sheet 31 December – Assets

(DKK million)

	Note	2020	2019
Non-current assets			
Property, plant and equipment			
Road link	10	1,172	1,199
Rail link	11	3,505	3,626
Other fixtures and fittings, plant and equipment	12	0	1
Total property, plant and equipment		**4,677**	**4,826**
Other non-current assets			
Participating interest in jointly managed company	13	1,544	1,321
Deferred tax	17	51	0
Total other non-current assets		**1,595**	**1,321**
Total non-current assets		**6,272**	**6,146**
Current assets			
Receivables			
Receivables	14	50	93
Securities		901	866
Derivatives	18	917	983
Corporation tax	9	13	119
Prepayments and accrued income	15	383	336
Total receivables		**2,265**	**2,397**
Cash at bank and in hand		**0**	**134**
Total current assets		**2,265**	**2,530**
Total assets		**8,537**	**8,677**

Balance sheet 31 December – Equity and liabilities

(DKK million)

	Note	2020	2019
Equity			
Share capital	16	5	5
Retained earnings		-6,714	-6,421
Total equity		**-6,709**	**-6,416**
Liabilities			
Non-current liabilities			
Deferred tax	17	0	61
Bond loans and amounts owed to credit institutions	18	12,846	12,372
Total non-current liabilities		**12,846**	**12,433**
Current liabilities			
Current portion of non-current liabilities	18	670	1,160
Credit institutions	18	23	0
Trade and other payables	21	44	30
Derivatives	18	1,567	1,370
Accruals and deferred income	22	96	99
Total current liabilities		**2,400**	**2,660**
Total liabilities		**15,246**	**15,093**
Total equity and liabilities		**8,537**	**8,677**

Accounting policies	1
Significant accounting estimates and judgements	2
Segment information	3
Staff expenses	6
Financial risk management	19
Profitability	20
Contractual obligations, contingent liabilities and collateral	23
Related parties	24
Events after the balance sheet date	25
Approval of the Annual Report for publication	26

Statement of changes in equity 1 January – 31 December

(DKK million)

	Share capital	Retained earnings	Total
Balance at 1 January 2019	5	-6,038	-6,033
Loss for the year and comprehensive income	0	-384	-384
Balance at 31 December 2019	**5**	**-6,421**	**-6,416**
Balance at 1 January 2020	5	-6,421	-6,416
Loss for the year and comprehensive income	0	-293	-293
Balance at 31 December 2020	**5**	**-6,714**	**-6,709**

Cash flow statement 1 January – 31 December

(DKK million)

	Note	2020	2019
Cash flow from operating activities			
Operating profit/loss (EBIT)		-226	-277
Adjustments			
Depreciation, amortisation and writedowns	7	207	221
Joint taxation contribution	9	13	119
Cash flow from operations (operating activities) before change in working capital		**-6**	**63**
Change in working capital			
Receivables and prepayments		118	130
Trade and other payables		0	70
Total cash flow from operating activities		**113**	**263**
Cash flow from investing activities			
Acquisition of tangible fixed assets		-59	-23
Purchase of securities		-46	-271
Total cash flow from investing activities		**-105**	**-294**
Free cash flow		**8**	**-31**
Cash flow from financing activities			
Other non-current liabilities incurred		1,246	1,380
Redemption and repayment of non-current liabilities		-1,150	-900
Raising of loans at credit institutions		23	0
Debt reduction with credit institutions		0	-24
Interest expenses, paid		-263	-291
Total cash flow from financing activities	18	**-141**	**165**
Change for the period in cash and cash equivalents		**-134**	**134**
Opening cash and cash equivalents		134	0
Closing cash and cash equivalents		**0**	**134**

Notes

Note 1 Accounting policies

A/S Øresund is a limited company based in Denmark. A/S Øresund is a subsidiary of Sund & Bælt Holding A/S and is included in the consolidated accounts for Sund & Bælt Holding A/S, which is the ultimate parent company.

A/S Øresund's financial statements 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 financial statements are presented in Danish kroner, which is also the company's functional currency. Unless otherwise stated, all amounts are stated in DKK million.

The accounting policies, as described below, have been applied consistently in the financial statements and for the comparative figures. However, for standards implemented going forwards, 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 companies 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 the jointly managed company, receivables and prepayments and accrued income are described in the respective notes.

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

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

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

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

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 company.

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 is recognised in the value adjustment and translation of receivables, payables etc. is assigned to financial income and expenses.

Segment information
According to IFRS, revenues, expenses, assets and liabilities per segment must be disclosed. A/S Øresund's assessment is that the company consists of one segment as it is one link. Internal reporting and senior management's financial control take place on the basis of one overall segment.

Other operating income and expenses
Other operating income and expenses contain items of a secondary nature in relation to the company'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 contribution 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 company 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 company 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.

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.

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

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 link, the facilities are divided into components with similar useful lives:

- The main part of the facilities 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:

- Other plant, machinery, fixtures and fittings 5-10 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 net book value at the time of sale. Profits and losses are recognised in the comprehensive income statement under other operating income or other operating expenses.

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 20 Profitability.

Provision for losses is recognised in the comprehensive income statement.

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.

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

Cash flow statement
The company's cash flow statement is prepared in accordance with the indirect method based on the items in the comprehensive income statement. The company's cash flow statement shows the cash flows for the year, the year's changes in cash and cash equivalents as well as the company'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.

Cash flow from financing activities comprises borrowing, 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 link 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.

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

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 company 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 17 Deferred tax.

Note 3 Segment information

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

Revenue from the rail link comprises fees from Banedanmark. This operating income thus includes net revenue for one customer amounting to more than 10 per cent of the company's net revenue.

The company's entire revenue is generated in Denmark.

Besides the fee from Banedanmark in the revenue from rail link, the company is not dependent on individual major customers and has no transactions with individual customers that amount to 10 per cent of the company'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.

Revenue from the rail link comprises payment from Banedanmark for the use of the rail facilities. Rail revenue is determined by the Minister of Transport.

Specification of net revenue	**2020**	**2019**
Net revenue, railway	20	40
Other net revenue	0	1
Total net revenue	**20**	**41**

Note 5 Other external expenses

Other external expenses comprise expenses relating to the technical, traffic-related and commercial operations of the link. This includes, for instance, expenses for the operation and maintenance of technical systems, insurance, IT, external services, financial management and fees to the parent company of DKK 25 million (DKK 25 million).

Fees to auditors appointed by Annual General Meeting:	**Deloitte**	**Price waterhouse Coopers**	**Price waterhouse Coopers**
DKK 1.000	**2020**	**2020**	**2019**
Statutory audit	80	0	200
Other assurance statements	0	0	0
Tax advice	183	56	0
Other services	8	-54	104
Audit fees, total	**271**	**2**	**304**

Fees for other services in addition to statutory audit 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

The company has no employees.

The Management Board and the Board of Directors receive fees from Sund & Bælt Holding A/S, which are paid via the administration contribution. The Management Board’s share totals DKK 0.3 million (DKK 0.3 million in 2019).

Note 7 Depreciation

	2020	2019
Depreciation		
Tangible fixed assets - road link	31	31
Tangible fixed assets - rail link	176	190
Tangible fixed assets - other fixtures and fittings, plant and equipment	1	0
Total depreciation	**207**	**221**
Writedowns:		
Total writedowns	**0**	**0**
Total depreciation and writedowns	**207**	**221**

Note 8 Financial items

The company 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 distributed on 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.

	2020	2019
Financial income		
Interest income, financial instruments	76	0
Total financial income	**79**	**0**
Financial expenses		
Interest expenses, loans	-179	-173
Interest expenses, financial instruments	-57	0
Other financial items, net	-2	0
Total financial expenses	**-238**	**-173**
Net financing expenses	**-159**	**-173**
Value adjustments, net		
- Securities	-4	0
- Loans	-6	-220
- Currency and interest rate swaps	-204	-250
Value adjustments, net	**-214**	**-470**
Total financial items	**-372**	**-643**
Of which financial instruments	-184	-250

Commission to the Danish State of DKK 16 million (2019: DKK 16 million) is recognised in interest expenses.

Net financing expenses were DKK 12 million lower in 2020 compared to 2019. This is primarily due to the impact of low inflation on the part of the net debt which is revalued with an inflation index.

Note 9 Tax

	2020	2019
Current tax	13	119
Change in deferred tax	70	-11
Adjustment current tax, previous years	-43	-4
Adjustment deferred tax, previous years	43	4
Total tax	**83**	**108**
Tax on the year's results is specified as follow s:		
Computed 22 per cent tax on annual results	83	108
Total	**83**	**108**
Effective tax rate	22.0	22.0

Note 10 Road link

	Directly capitalised expenses	Value of own work	Financing expenses (net)	Projects in progress	Total 2020	Total 2019
Cost opening balance	1,503	14	165	1	1,683	1,682
Additions for the year	1	0	0	3	4	1
Cost closing balance	**1,503**	**14**	**165**	**5**	**1,687**	**1,683**
Depreciation, amortisation and w ritedow ns, opening balance	445	3	36	0	485	454
Depreciation, amortisation and w ritedow ns for the year	29	0	2	0	31	31
Depreciation, amortisation and writedowns, closing balance	**474**	**3**	**38**	**0**	**515**	**485**
Net book value	**1,029**	**11**	**127**	**5**	**1,172**	**1,199**

Note 11 Rail link

	Directly capitalised expenses	Value of own work	Financing expenses (net)	Projects in progress	Total 2020	Total 2019
Cost opening balance	4,961	0	487	21	5,469	5,453
Additions for the year	9	0	0	46	55	23
Disposals for the year	-7	0	0	0	-7	-6
Cost closing balance	**4,964**	**0**	**487**	**67**	**5,518**	**5,469**
Depreciation, amortisation and writedowns, opening balance	1,679	0	164	0	1,843	1,659
Depreciation, amortisation and writedowns for the year	160	0	16	0	176	190
Depreciation on assets disposed of	-7	0	0	0	-7	-6
Depreciation, amortisation and writedowns, closing balance	**1,832**	**0**	**180**	**0**	**2,012**	**1,843**
Net book value	**3,131**	**0**	**307**	**67**	**3,505**	**3,626**

Note 12 Operating plant

	2020	2019
Cost opening balance	2	2
Cost closing balance	**2**	**2**
Depreciation, amortisation and writedowns, opening balance	1	1
Depreciation, amortisation and writedowns for the year	1	0
Depreciation, amortisation and writedowns, closing balance	**2**	**1**
Net book value	**0**	**1**

Note 13 Participating interest in jointly managed company

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

Øresundsbro Konsortiet I/S is a jointly managed company 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 are not able to transfer rights or liabilities between each other without the prior consent of the other party.

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

	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/loss 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

Øresundsbro Konsortiet I/S's result is a profit of DKK 446 million. (2019: DKK 855 million). The company's share of Øresundsbro Konsortiet I/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 14 Receivables

Trade receivables are valued at cost. Trade receivables comprise amounts owed by customers. Provision is made for debts 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. The net book value of receivables thus represents the expected realisable value. There are no significant receivables due that require provision.

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

	2020	2019
Trade receivables and services	1	5
Members	1	86
Other receivables	49	1
Total receivables	**50**	**93**

Note 15 Prepayments and accrued income

Prepayments and accrued income comprise accrued interest, financial instruments.

	2020	2019
Accrued interest, financial instruments	383	336
Total prepayments and accrued income	**383**	**336**

Accrued interest, financial instruments are specified in note 18 Net debt.

Note 16 Equity

The entire share capital is owned by Sund & Bælt Holding A/S, Copenhagen, which is 100 per cent owned by the Danish State. The company is recognised in the consolidated accounts for Sund & Bælt Holding A/S, which is the smallest and largest group.

The share capital comprises 50,000 shares at a nominal value of DKK 100.

The share capital has remained unchanged since 1992.

Financial management

The Board of Directors regularly evaluates the need to adjust the capital structure, including the need for cash at bank and in hand, credit facilities and equity.

On the basis of the estimated operating results for the company and for Øresundsbro Konsortiet I/S, equity is expected to be restored within a time frame of 20 years, calculated from end 2020. For further details, please refer to the section, Economy, in the Management Report.

Without special notification of each individual case, the Danish State guarantees the company’s other financial liabilities. Øresundsbro Konsortiet I/S’ debt is guaranteed jointly and severally by the Danish and Swedish states.

Note 17 Deferred tax

Due to the capitalisation of financing expenses during the construction period, the net book value of the road and rail links 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.

	2020	**2019**
Balance, opening	-61	31
Deferred tax for the year	70	-11
Adjustment deferred tax, previous years	43	4
Other adjustments	0	-85
Balance, closing	**51**	**-61**
Deferred tax relates to:		
Intang. fixed assets & tangible fixed assets	-143	-136
Tangible fixed assets, Øresundsbro Konsortiet I/S	-317	-271
Reduced net financing expenses	296	52
Tax loss	215	294
Total	**51**	**-61**

Difference during the year:	**Opening 2019**	**Adjstmts. for the year 2019**	**Closing 2019**	**Adjstmts. for the year 2020**	**Closing 2020**
Intang. fixed assets & tangible fixed assets	-129	-7	-136	-7	-143
Tangible fixed assets, Øresundsbro	-214	-57	-271	-46	-317
Reduced net financing expenses	102	-50	52	244	296
Tax loss	272	22	294	-78	215
Total	**31**	**-92**	**-61**	**112**	**51**

Note 18 Net debt

Fair value hierarchy	Level 1	Level 2	Level 3	Total 2020	Level 1	Level 2	Level 3	Total 2019
Bonds	901	0	0	901	866	0	0	866
Derivatives, assets	0	917	0	917	0	983	0	983
Financial assets	**901**	**917**	**0**	**1,819**	**866**	**983**	**0**	**1,849**
Bond loans and debt	-13,313	-203	0	-13,516	-13,316	-216	0	-13,532
Derivatives, liabilities	0	-1,567	0	-1,567	0	-1,370	0	-1,370
Financial liabilities	**-13,313**	**-1,770**	**0**	**-15,084**	**-13,316**	**-1,586**	**0**	**-14,902**

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	19	-42	0	-23	-33	167	0	134
Investments	901	0	0	901	866	0	0	866
Financial assets	**920**	**-42**	**0**	**879**	**833**	**167**	**0**	**1,000**
Bond loans and debt	-203	-13,313	0	-13,516	-216	-13,316	0	-13,532
Currency and interest rate	-2,890	2,240	0	-650	-2,750	2,363	0	-387
Accrued interest	-50	339	0	289	-53	292	0	239
Financial liabilities	**-3,143**	**-10,735**	**0**	**-13,878**	**-3,019**	**-10,661**	**0**	**-13,680**
Total net debt (fair value)	**-2,222**	**-10,777**	**0**	**-12,999**	**-2,186**	**-10,494**	**0**	**-12,681**

	Deriva-tives assets	Deriva-tives liabilities	Total 2020	Deriva-tives assets	Deriva-tives liabilities	Total 2019
Interest rate swaps	499	-1,567	-1,069	471	-1,370	-899
Currency swaps	418	0	418	512	0	512
Forward exchange contracts	0	0	0	0	0	0
Currency options	0	0	0	0	0	0
Gross value derivatives	**917**	**-1,567**	**-650**	**983**	**-1,370**	**-387**
Accrued interest, financial instruments	383	-54	328	336	-58	278
Offsetting cf. IAS32	0	0	0	0	0	0
Gross value	**1,300**	**-1,622**	**-322**	**1,319**	**-1,428**	**-110**
Offsetting options by default [1])	-328	328	0	-297	297	0
Collateral	-971	769	-202	-1,021	669	-353
Net value, total	**0**	**-524**	**-524**	**0**	**-462**	**-462**

[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.

Prepayments and accrued income

Accrued interest	Assets	Liabili-ties	Total 2020	Assets	Liabili-ties	Total 2019
Payables	0	-40	-39	0	-39	-39
Interest rate swaps	367	-54	313	321	-58	263
Currency swaps	15	0	15	15	0	15
Total	**383**	**-94**	**289**	**336**	**-97**	**239**

Net debt is DKK 10,344 million (2019: 10,168 million) based on the nominal principal sum and there is thus an accumulated difference of DKK 2,655 million (2019: 2,513 million) in relation to the net debt at fair value, where the fair value reflects the value on the balance sheet date, while the nominal value is the contractual liability at maturity.

Recognition of financial liabilities at fair value (or in the aggregate) was not affected by changes in the company's credit rating during the year which, because of the guarantee from the Danish State, has maintained a high credit rating.

Interest-bearing net debt	2020	2019
Repayment period - number of years	46	47
Interest-bearing net debt - DKK billion	11.2	11.0
Repayment of debt	2044	2045
Financing expenses excl. value adjustment - per cent per annum	1.32	1.43
Financing expenses incl. value adjustment - per cent per annum	3.26	5.70

Reconciliation of differences in financial liabilities	Current debt	Non-current debt	Deriva-tives assets	Deriva-tives liabilities	Total
Opening 2020	-1,160	-12,372	983	-1,370	-13,919
Cash flow	1,156	-977	-169	142	152
Paid interest - reversed	-2	-289	189	-142	-244
Amortisation	3	131	-69	0	65
Inflation indexation	0	0	-9	-1	-10
Currency adjustment	0	1	7	1	8
Fair value adjustment	3	-10	-14	-197	-218
Transfer opening/closing	-671	671	-1	1	0
Closing 2020	**-671**	**-12,846**	**917**	**-1,567**	**-14,167**

Reconciliation of cash flow	2020
Cash flow	152
Loans from credit institutions	-23
Guarantee commission	16
Other financial items, net	-4
Cash flow from financing activities	**141**

Reconciliation of differences in financial liabilities	Current debt	Non-current debt	Deriva-tives assets	Deriva-tives liabilities	Total
Opening 2019	-937	-12,054	1,032	-1,077	-13,036
Cash flow	939	-1,089	-210	155	-205
Paid interest - reversed	-22	-287	210	-155	-254
Amortisation	14	125	-78	0	61
Inflation indexation	0	0	-12	-4	-16
Currency adjustment	0	0	-1	0	-2
Fair value adjustment	6	-226	-186	-62	-468
Transfer opening/closing	-1,160	1,160	227	-227	0
Closing 2019	**-1,160**	**-12,372**	**983**	**-1,370**	**-13,919**

Reconciliation of cash flow	2019
Cash flow	-205
Loans from credit institutions	24
Guarantee commission	16
Other financial items, net	0
Cash flow from financing activities	**-165**

Note 19 Financial risk management

Financing

A/S Øresund's financial management is conducted within the framework determined by A/S Øresund's Board 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 A/S Øresund's 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 A/S Øresund's funding in 2020 as well as the key financial risks.

Funding

All loans and other financial instruments employed by A/S Øresund are guaranteed by the Danish State. This means that A/S Øresund can achieve capital market terms equivalent to those available to the State, even if A/S Øresund does 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 company's financial policy. In general, the company's 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 A/S Øresund cannot expose itself 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 company's currency risk.

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

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 company has 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
A/S Øresund is 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:

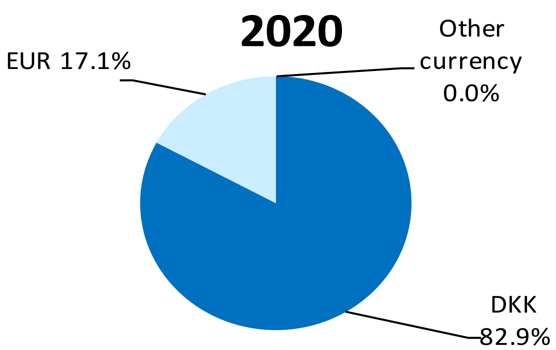
- Currency risks
- Interest rate risks
- Inflation risks
- Credit risks
- Liquidity risks

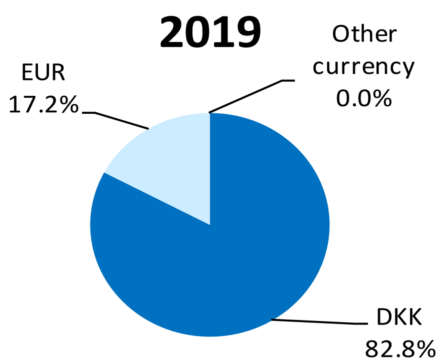
Financial risks are identified, monitored and controlled within the framework approved by the Board of Directors as determined in the company's financial policy and strategy, operational procedures and in accordance with the guidelines from the Danish Ministry of Finance/Danmarks Nationalbank, which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

Currency risks
A/S Øresund's 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 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**





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

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

The currency distribution between other currencies comprises JPY, SEK and USD and is related to hedging of bond loans in these currencies, where additions/deductions in the currency swap give an exposure stated at fair value, while the cash flows are fully hedged.

Foreign exchange sensitivity for A/S Øresund amounted to DKK 14 million in 2020 (DKK 9 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
A/S Øresund's 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.

A/S Øresund's 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 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 company's 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 company's 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 where sluggish development in traffic revenue was offset by lower financing expenses.

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

The economic relationship between operating revenue and financing expenses justifies some proportion of floating rate debt. Developments in road traffic revenue, which is the primary income source, are particularly dependent on economic conditions and low economic growth typically entails low traffic growth, and thus a less favourable development in revenue. This revenue risk can, to a certain extent, be offset by 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 company has 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 company's 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 – A/S Øresund has 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 company targets a real rate debt allocation of 25-45 per cent and for 2020, the duration on the nominal debt was set at 9.0 years for A/S Øresund. The duration calculation is without discounting.

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 company's 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 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 company is 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 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.

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 A/S Øresund's 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.

A/S Øresund uses 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 (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 (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**

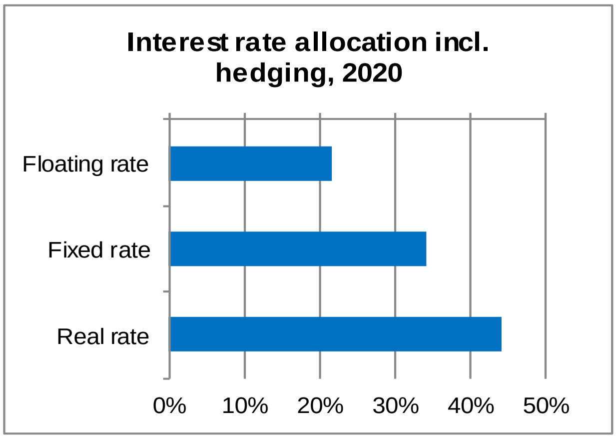
Yield exposure > 5 years is allocated as follows (DKK million)

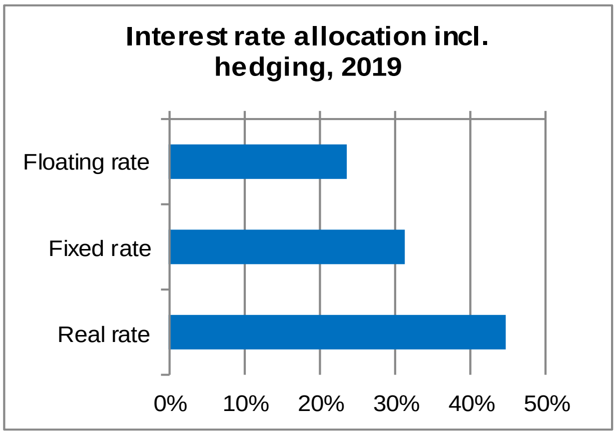
Yield buckets	5-10 years	10-15 years	15-20 years	> 20 years
Net debt	-149	-903	-4,162	-373
Of this, real rate instruments	-857	-1,081	-1,212	0

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).

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 adjustment 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

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 with an interest rate fall and a fair value gain of DKK 1,189 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 company has, to the greatest possible extent, limited excess liquidity and has 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 company's 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 A/S Øresund's 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.

A/S Øresund has entered into collateral agreements (CSA agreements) with the majority of the financial counterparties and since 2005 has 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-.

A/S Øresund is 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 company's actual credit risk.

Credit risks on financial assets recognised at fair value distributed on credit quality, 2020

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

Total counterparty exposure (market value) Rating	Deposits	Deriva-tives without netting	Deriva-tives with netting	Collateral	Number of counter-parties
AAA	866	0	0	0	1
AA	0	322	56	84	2
A	0	997	954	967	4
BBB	0	0	0	0	1
Total	**866**	**1,319**	**1,010**	**1,051**	**8**

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.

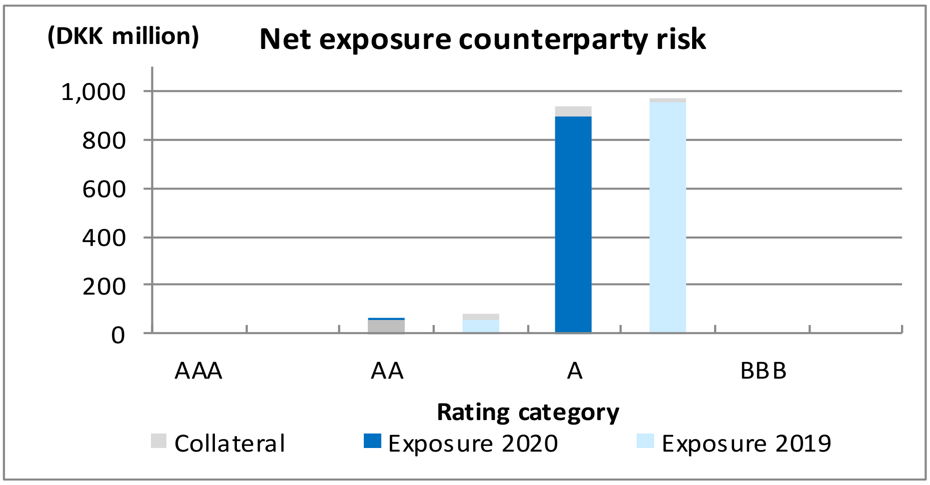
The credit exposure is primarily concentrated in the A rating category and largely covered by collateral agreements.

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



Liquidity risk

Liquidity risk is the risk of losses arising if A/S Øresund has 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 A/S Øresund. 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), 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), 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**

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 20 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 through 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.

Note 21 Trade and other payables

	2020	2019
Trade payables	18	10
Debt group enterprises - group companies	4	0
Debt, Øresundsbro Konsortiet I/S	0	0
Guarantee commision payable	17	17
Other payables	4	3
Total	**44**	**30**

Note 22 Accruals and deferred income

	2020	2019
Accrued interest, financial instruments	94	97
Other accruals	2	2
Accruals and deferred income, total	**96**	**99**

Accrued interest, financial instruments, are specified in Note 18 Net Debt.

Note 23 Contractual obligations, contingent liabilities and collateral

The company's contractual obligations comprise operational and maintenance contracts entered into with expiry dates up to 2024 at an overall balance of DKK 80 million (DKK 4 million in 2019). At year end, completed work under contracts amounted to DKK 4 million (DKK 73 million in 2019).

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' 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.

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 Øresund has entered into two-way collateral agreements (CSA agreements) with a number of financial counterparties and is required to pledge collateral in the form of government bonds for outstanding exposure from derivative contracts in the counterparties' favour.

A/S Øresund has currently pledged collateral for DKK 769 million to hedge outstanding exposure from derivative transactions in favour of four counterparties.

The company is part of a Danish joint taxation agreement with Sund & Bælt Holding A/S as the administering company. In accordance with corporate tax legislation, the company is jointly and severally liable, from and including 2013, with the other jointly taxed companies for corporation tax.

Otherwise, the company has not pledged any collateral.

Note 24 Related parties

Related parties comprise the Danish State, companies and institutions owned by it.

Related party	Registered office	Affiliation	Transactions	Pricing
The Danish State	Copenhagen	100 per cent ownership via Sund & Bælt Holding A/S	Guarantee for the company's debt Guarantee commission	Determined by legislation. Accounts for 0.15 per cent of nominal
Sund & Bælt Holding A/S	Copenhagen	100 per cent ownership of A/S Øresund	Management of operational tasks Joint taxation contribution	Market price
A/S Storebælt	Copenhagen	Subsidiary of Sund & Bælt Holding A/S	Maintenance tasks	Market price
Sund & Bælt Partner A/S	Copenhagen	Subsidiary of Sund & Bælt Holding A/S	-	Market price
A/S Femern Landanlæg	Copenhagen	Subsidiary of Sund & Bælt Holding A/S	-	Market price
Femern A/S	Copenhagen	Subsidiary of A/S Femern Landanlæg	-	Market price
Brobizz A/S	Copenhagen	Subsidiary of Sund & Bælt Holding A/S	-	Market price
BroBizz Operatør A/S	Copenhagen	Subsidiary of Brobizz A/S	-	Market price
Øresundsbro Konsortiet I/S	Copenhagen/ Malmø	50 per cent ownership of parthership via A/S Øresund	Purchase of financial management	Market price
Banedanmark	Copenhagen	Owned by the the Ministry of Transport	Payment for use of rail link Maintenance work	Determined by the Minister of Transport
Danish Road Directorate	Copenhagen	Owned by the the Ministry of Transport	Maintenance tasks	Market price

DKK 1.000		Amount 2020	Amount 2019	Balance at 31 December 2020	Balance at 31 December 2019
The Danish State	Guarantee commission	-16,438	-15,900	-17,000	-17,000
Sund & Bælt Holding A/S	Management of subsidiary's operational tasks	-27,779	-30,700	-3,333	637
	Joint taxation contribution	12,821	200,400	12,821	204,209
A/S Storebælt	Maintenance tasks	178	-984	0	-160
Øresundsbro konsortiet I/S	Purchase of financial management	-1,820	-1,821	-42	0
Banedanmark	Payment for use of rail link	19,800	50,250	0	4,188
	Maintenance tasks	-1,277	-2,959	-135	-1,174
Danish Road Directorate	Maintenance tasks	-1,169	-1,347	-476	-291

Note 25 Events after the balance sheet date

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

Note 26 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 A/S Øresund for approval at the Annual General Meeting on 19 April 2020.

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 A/S Øresund.

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

Mogens Hansen
CEO

Board of Directors

Mikkel Haugård Hemmingsen Chairman	Louise Friis Vice-Chair
Mogens Hansen	

Independent auditor's report

To the shareholder of A/S Øresund

Our opinion
We have audited the financial statements for A/S Øresundsforbindelsen 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.

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 financial statements give a true and fair view of the company's assets, liabilities and financial position at 31 December 2020 and the results of the Company's operations and cash flows for the financial year 1 January to 31 December 2020 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

Our opinion is consistent with our audit report for the audit committee and the Board of Directors.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company 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.

To the best of our knowledge, no prohibited non-audit services have been performed within the meaning of Article 5 (1) in regulation (EU) no. 537/2014.

We were first appointed auditor for A/S Øresundsforbindelsen on 17 April 2020 for the financial year 2020. We are reappointed annually by resolution of the Annual General Meeting for a total continuous term of 1 year up to and including the financial year 2020.

Key audit matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of derivative financial instruments (derivatives)	***How our audit addressed the key audit matter***
Derivative financial instruments are classified as assets and liabilities and amount to DKK 917 million as at 31 December 2020 (DKK 983 million as at 31 December 2019) and DKK 1,567 million as at 31 December 2020 (DKK 1,370 million as at 31 December 2019). We have assessed that the valuation of derivative financial instruments is a key factor in the audit because there are no official quotations for derivatives.	Based on our risk assessment, we reviewed the valuation prepared by the management and assessed the methods and assumptions used. . Our review included the following elements: • Testing of controls with regard to obtaining master and market data that lie at the basis of the valuation.

This is why management uses estimates for their valuation, including: • Choice of assumptions used in calculating the fair value of derivatives. • Identification of relevant market data used for the valuation. Changes to the underlying assumptions as well as market data can have a significant effect on the valuation of the derivatives. Management has provided more information about the valuation and the related estimates in Notes 1, 2 and 18.	• Testing of controls for comparison of the applied fair values with information from the counterparty. • Random checks of registered trades for underlying documentation. • Random comparison of fair values with market data from external party.

Statement on the Management Report
The Management is responsible for the Management Report.

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

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

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

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

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

In preparing the financial statements, Management is responsible for assessing the 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 company or to cease operations, or has no realistic alternative but to do so.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

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

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

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

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Copenhagen, 24 March 2021

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR no. 33 96 35 56

Anders Oldau Gjelstrup
State-Authorised Public Accountant
MNE-no. 10777

Jakob Lindberg
State-Authorised Public Accountant
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 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.