A/S Storebæltsforbindelsen

Annual Report 2022

This is a translation of the Danish annual report. In the event of discrepancies, the Danish version of the annual report shall prevail.

Chair of the Annual General Meeting: Charlotte Yun Linde
Approved at the Annual General Meeting: 27 April 2023

A/S Storebæltsforbindelsen, Vester Søgade 10, 1601 Copenhagen V, CVR 10634970

Contents

Highlights of the year

Traffic
Road
In 2022, traffic on the Storebælt link returned to the same level as it was in 2019, i.e. pre-Covid-19.

The first month of the year was affected by Covid-19 restrictions, but traffic normalised during the first quarter. August set a new record for weekend traffic when 116,000 vehicles crossed the Storebælt link on 6 and 7 August. Passenger traffic was 7.0 per cent higher than in 2021. HGV traffic remained where it left off in the record year of 2021 and set a new annual record in 2022, i.e 2.7 per cent above 2021 traffic levels despite the fact that growth tailed off in the final quarter of 2022. Coach traffic was 45.3 per cent above that for 2021.

Road traffic saw an overall rise of 6.5 per cent compared to 2021.

Railway
The total number of passenger trains on the Storebælt railway line, which comprises approx. 25 km, incl. the stations at Nyborg and Korsør, amounted to 45,286 in 2022, which is an increase of 4.1 per cent compared to 2021. As regards freight train traffic, some 9,049 freight trains ran on the line in 2022, corresponding to a decline of 10.5 per cent on the year.

Economy
The result before fair value adjustments and tax is a profit of DKK 1,685 million and is thus DKK 365 million lower than 2021. This is primarily attributed to the impact of high inflation on the part of the net debt that is exposed to inflation indexation, which more than exceeds revenue growth of 5 per cent, corresponding to DKK 167 million.

The annual result after tax is a profit of DKK 2,972 million against a profit of DKK 1,680 million in 2021. The rise of DKK 1,292 million is mainly due to fair value adjustments, which amount to gains of DKK 2,240 million in 2022, a rise of DKK 2,136 million.

The development in fair value adjustments is due to the composition of the company's loan portfolio. Some of the debt carries a fixed rate, which has resulted in unrealised gains due to the rising market interest rates in 2022.

It is proposed that a dividend of DKK 1,406 million be paid to the shareholder.

Repayment period
For A/S Storebælt, the repayment period is unchanged at 36 years, which means that the debt will be repaid in 2034.

The prerequisites for the calculation of the repayment period are described in more detail in Note 22, Profitability.

Key figures and financial ratios

(DKK million)	2022	2021	2020	2019	2018
Net revenue	3,419	3,252	2,902	3,243	3,283
Net revenue, road	3,091	2,932	2,578	2,916	2,873
Other external expenses	-421	-371	-361	-364	-370
Depreciation, amortisation and writedowns	-503	-537	-538	-530	-528
Operating profit (EBIT)	2,500	2,351	2,007	2,347	2,384
Financial items	1,426	-197	-75	-427	-177
Profit before fair val. adjstmts. and tax	1,686	2,050	1,832	2,182	2,117
Value adjustments, net	2,240	104	100	-262	91
Profit	**2,972**	**1,680**	**1,507**	**1,498**	**1,722**
Investments in tangible fixed assets	116	140	85	138	115
Capital investment, road and railway, closing balance	24,171	24,539	24,921	25,361	26,015
Net debt (fair value)	**16,696**	**19,091**	**20,021**	**20,618**	**21,288**
Interest-bearing net debt	17,532	17,688	18,473	18,946	19,832
Equity	5,823	4,216	3,914	4,007	4,109
Balance sheet total	27,419	27,419	27,765	28,263	29,328
Cash flow from operating activities	2,449	2,645	2,358	2,888	2,555
Cash flow from investing activities	-599	-303	-316	129	-44
Cash flow from financing activities	-2,155	-2,042	-2,027	-3,283	-2,246
Total cash flow	**-305**	**300**	**15**	**-265**	**265**
Financial ratios, per cent					
Profit ratio (EBIT)	73.1	72.3	69.1	72.4	72.6
Rate of return (EBIT)	9.1	8.6	7.2	8.3	8.1
Return on facilities (EBIT)	10.3	9.6	8.1	9.3	9.2

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

Management report

Development in activities and economic factors

Economy
The result before financial value adjustments and tax amounts to a profit of DKK 1,685 million, which is DKK 365 million lower than in 2021.

Revenue is DKK 167 million higher compared to 2022 and amounts to DKK 3,419 million. Revenue from Storebælt's road link rose by 5.4 per cent corresponding to DKK 159 million and thus totals DKK 3,091 million. The rise can be attributed to the fact that traffic overall increased by 6.5 per cent compared to 2021. The rail fee totals DKK 299 million and amounts to a rise of 3.1 per cent.

Other external expenses amount to DKK 421 million and are DKK 50 million higher than in 2021.

Depreciation, amortisation and writedowns total DKK 503 million and fell by DKK 34 million compared to last year. The fall is primarily due to the fact that more railway equipment was fully depreciated in 2022.

Net financing expenses for 2022 were higher than last year and total DKK 814 million. This is primarily attributed to the impact of high inflation on the part of the net debt exposed to inflation indexation.

Fair value adjustments amount to gains of DKK 2,240 million against gains of DKK 104 million in 2021. The 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)	Comprehensive income statement 2022	Fair value adjustments	Profit/loss ex. fair value adjustments 2022	Profit/loss ex. fair value adjustments 2021
Operating profit (EBIT)	2,500		2,500	2,351
Financial items excl. value adjustment	1,426	-2,240	-814	-301
Profit before fair val. adjstmts. and tax			**1,686**	**2,050**
Fair value adjustment		2,240	2,240	104
Profit before tax	**3,926**		**3,926**	**2,154**
Tax	-954		-954	-474
Profit	**2,972**		**2,972**	**1,680**

Financial items, including fair value adjustment, amount to an expense of DKK 1,426 million against an expense of DKK 197 million in 2021.

The result before tax shows a profit of DKK 3,926 million against a profit of DKK 2,154 million in 2021.

Tax on the year's profits amounts to an expense of DKK 954 million.

The company's result after tax is a profit of DKK 2,972 million.

Additions for the year for tangible fixed assets in progress total DKK 115 million. The work carried out in 2022 mainly concerned safety improvements on the Storebælt link, new LED lighting and extensive asphalting work.

The outlook for the year's results before financial value adjustments and tax in the interim report for Q3 2022 was within the range of DKK 1.6-1.7 billion. The realised profit before fair value adjustments and tax is thus within this range.

Equity in the company was positive at DKK 5,823 million as at 31 December 2022 and will remain positive following the proposed dividend of DKK 1,406 million.

Cash flow from operations totals DKK 2,449 million, which is DKK 196 million less than in 2021.

Cash flow from investing activities is negative and totals DKK 599 million as a result of the purchase of securities and investments in road and rail facilities.

The free cash flow arises on the basis of operations, less capital investments, and totals DKK 1,850 million. Free cash flow expresses the company's ability to generate funds for the financing of interest and repayments on the company's liabilities.

Financing activities include borrowings, repayment, interest expenses and dividend, which amount to DKK 2,155 million net.

In total, the company's cash and cash equivalents decreased by DKK 305 million. Thus, cash and cash equivalents totalled DKK 10 million at the end of 2022.

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 on the basis of the traffic forecasts for road traffic.

It should be noted that under the terms of the *Act on Sund & Bælt Holding A/S* for A/S Storebælt, 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 in each individual case, the Danish State guarantees the company's other financial liabilities.

Finance

Rising inflation was the overriding main theme in the financial markets in 2022. This had a direct impact on interest expenses as inflation-linked loans are part of the debt portfolio.

The interest-bearing net debt was reduced by DKK 156 million and totalled DKK 17,532 million by the end of 2022.

Financial strategy

A/S Storebælt'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 2022, A/S Storebælt exclusively raised on-lending from the Danish State. Such on-lending continues to remain very attractive compared to alternative funding sources.

The company's cautious strategy as regards credit risks meant that the company did not lose money on the failures of financial counterparties in 2022.

With regard to A/S Storebælt, the duration of the nominal debt in 2022 fell from 5.4 years to 4.1 years.

A/S Storebælt – financial ratios 2022

	DKK million	Per cent p.a.
Borrowing 2022	1,842	
- of which on-lending	1,842	
Gross debt (fair value)	18,487	
Net debt (fair value)	16,696	
Interest-bearing net debt	17,532	
Real interest rate (before value adjustment)		-3.1
Net financing expenses[1)]	784	4.37
Value adjustment	-2,240	-12.48
Total financing expenses[2)]	**-1,456**	**-8.11**

[1)] Note: Net financing expenses relating to active financial management. The amount is therefore different from the company's total net financing expenses.

[2)] Note: The amount excludes the guarantee commission, which totals DKK 28.4 million.

Outlook for 2023

The outlook for the result for 2023, based on the budget adopted in November 2022, constitutes a profit before fair value adjustments and tax in the order of DKK 1.87-1.97 billion.

The budget incorporates a projection for declining traffic revenue of 1.9 per cent driven by a slowdown in the economy and a basic assumption for inflation of 3.5 per cent.

The greatest uncertainty will continue to be linked to inflation. A rise of 1 percentage point will therefore impact the financing expenses and thus also the result by approximately DKK 70 million.

Continued high inflation will have an effect on the year's operating expenses in line with other developments in society. An increase of 1 percentage point will impact the result by approximately DKK 10 million, while continued high inflation will particularly affect the size of the year's investments due to price increases on raw materials in general and steel and energy in particular.

Corporate Social Responsibility

Statutory statement of Corporate Social Responsibility c.f. Sections 99a and 107b 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 2022 under Corporate Governance.

The company has published a sustainability report that can be found at *https://sundogbaelt.dk/en/news-press/publications/*

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

As regards senior management, there is equal gender representation, which is why the company has not drawn up and accounted for a target figure. As the company has no employees, no policy for increasing the underrepresented gender at other levels of management has been put in place. Reference is also made to the parent company's group management report 2022 in the section "Diversity".

Statutory statement for the company's policy on data ethics c.f. Section 99d of the Danish Financial Statements Act

The company's formal compliance with Section 99d of the Danish Financial Statements Act is published in the parent company's group management report 2022 under Data Ethics.

The Annual Report for Sund & Bælt Holding A/S is available at: *https://sundogbaelt.dk/en/news-press/publications/*

Risk management and control environment

Risk management aims to identify, quantify, assess, process and manage threats and opportunities in a way that ensures that A/S Storebælt's objectives are supported.

Certain events may prevent A/S Storebælt from achieving its objectives in full or in part. The company is well aware of the consequences and likelihood of such events. 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. The Board of Directors receives a report on these matters 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, a terrorist incident, flooding or similar. The likelihood of such incidents is remote, but the potential consequences are significant. The potential financial losses for A/S Storebælt from such events, including operating losses for up to two years, are covered by insurances.

One of A/S Storebælt's objectives is that it should be at least as safe to drive on the motorway section across Storebælt as on the rest of Denmark's motorway network. A/S Storebælt has a proactive approach to road safety, i.e. by preventing accidents through the analysis and detection of all accidents. Accessibility is monitored daily and by ongoing follow-up of key indicators.

In collaboration with the relevant authorities, A/S Storebælt 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.

Long-term traffic development is a significant factor in the repayment period of the debt, c.f. notes 21 and 22, where the calculations and uncertainty factors are described. In addition to the general uncertainties that are inherent in such long-term forecasts, there is a special risk related to adjustment to prices introduced by the authorities.

The development in long-term maintenance and reinvestment costs is subject to some uncertainty. A/S Storebælt works proactively and systematically to reduce such uncertainty factors and it is unlikely that these risks will have any major negative effects on the repayment period.

Work on holistic risk management has defined and systematised 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 Storebælt's risk management and internal control 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.

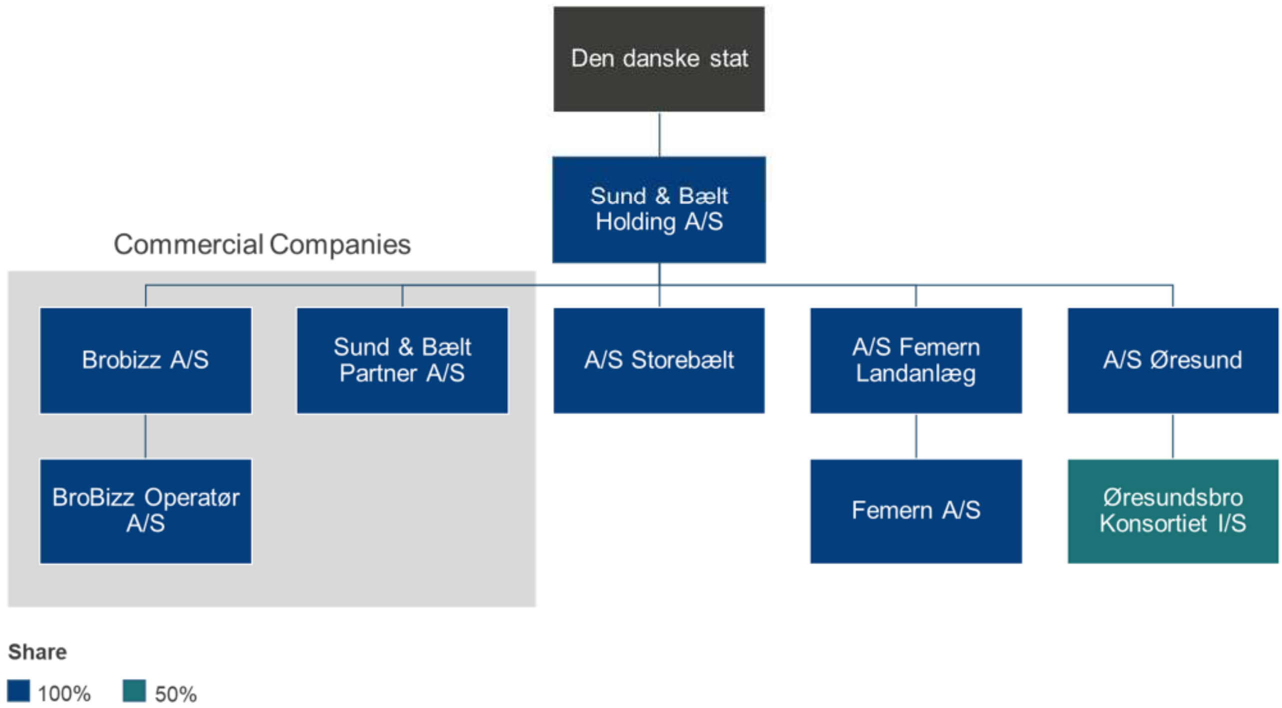
About A/S Storebælt

Shareholder information

A/S Storebælt is a limited company based in Denmark. A/S Storebælt is a subsidiary company 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' entire share capital is owned by the Danish State.

Group overview



Main activity

A/S Storebælt's primary task is to own and operate the fixed link across Storebælt. This task is managed with due consideration for the maintenance of a high level 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
Chair

CEO of:
Sund & Bælt Holding A/S
Election period expires in 2024

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

Member of the Board of Directors of:
Øresundsbro Konsortiet I/S

Areas of expertise
Management with experience in strategy, finance, societal analysis and change management

Louise Friis
Vice-Chair

Chief Legal Officer:
Sund & Bælt Holding A/S
Election period expires in 2024

Other positions held
A member of the Board of Directors of:
A/S Øresund (Vice-Chair)
A/S Femern Landanlæg
Femern A/S
Brobizz A/S
BroBizz Operatør A/S
Sund & Bælt Partner A/S

Areas of expertise
Substantial expertise in corporate law, drafting legislation and extensive experience with the legal aspects of transport and infrastructure.

Signe Thustrup Kreiner
CFO of:
Sund & Bælt Holding A/S

Election period expires in 2023

Other positions held
Member of the Board of Directors of:
A/S Øresund
A/S Femern Landanlæg (Vice-Chair)
Femern A/S (Vice-Chair)
Brobizz A/S (Vice-Chair)
BroBizz Operatør A/S (Vice-Chair)
Sund & Bælt Partner A/S (Vice-Chair)
Nordsøenheden

Areas of expertise
Management with experience in strategy, analysis, finance and accounting. Experience in risk management and compliance.

Management Board

Signe Thustrup Kreiner
CEO

Financial Statements

Comprehensive income statement 1 January-31 December

(DKK million)

	Note	2022	2021
Net revenue			
Net revenue		3,419	3,252
Total net revenue	4	**3,419**	**3,252**
Expenses			
Other external expenses	5	-421	-371
Other operating income		5	7
Depreciation, amortisation and writedowns	7	-503	-537
Total expenses		**-919**	**-901**
Operating profit (EBIT)		**2,500**	**2,351**
Financial items			
Financial income		0	7
Financial expenses		-814	-308
Value adjustments, net		2,240	104
Total financial items	8	**1,426**	**-197**
Profit before tax		**3,926**	**2,154**
Tax	9	-954	-474
Profit		**2,972**	**1,680**
Other comprehensive income		0	0
Tax on other comprehensive income		0	0
Comprehensive income		**2,972**	**1,680**

Balance sheet 31 December – Assets

(DKK million)

	Note	2022	2021
Non-current assets			
Property, plant and equipment			
Road facilities	11	13,078	13,221
Rail facilities	12	11,093	11,318
Port facilities	13	147	158
Land and buildings	14	57	62
Other fixtures and fittings, plant and equipment	15	27	30
Total property, plant and equipment		**24,402**	**24,789**
Other non-current assets			
Securities	20	187	1,317
Derivatives	20	580	497
Total other non-current assets		**767**	**1,814**
Total non-current assets		**25,169**	**26,603**
Current assets			
Receivables			
Receivables	16	455	323
Securities	20	1,604	0
Prepayments and accrued income	17	181	178
Total receivables		**2,240**	**501**
Cash at bank and in hand		**10**	**315**
Total current assets		**2,250**	**816**
Total assets		**27,419**	**27,419**

Balance 31 December – Equity and liabilities

(DKK million)

	Note	2022	2021
Equity			
Share capital	18	355	355
Retained earnings		4,062	2,496
Proposed dividend		1,406	1,365
Total equity		**5,823**	**4,216**
Liabilities			
Non-current liabilities			
Deferred tax	19	2,033	1,243
Onlending from the Danish State	20	13,413	16,811
Bond debt	20	7	266
Derivatives	20	2,100	1,686
Total non-current liabilities		**17,553**	**20,006**
Current liabilities			
Onlending from the Danish State	20	3,302	2,520
Bond debt	20	245	0
Credit institutions	20	57	0
Corporation tax	9	179	366
Trade and other payables	23	139	199
Derivatives	20	18	0
Accruals and deferred income	24	103	112
Total current liabilities		**4,043**	**3,197**
Total liabilities		**21,596**	**23,203**
Total equity and liabilities		**27,419**	**27,419**

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Statement of changes in equity 1 January – 31 December

(DKK million)

	Share capital	Retained earnings	Proposed dividend	Total
Balance at 1 January 2021	355	2,181	1,378	3,914
Dividend paid	0	0	-1,378	-1,378
Profit for the year and comprehensive income	0	315	1,365	1,680
Balance at 31 December 2021	**355**	**2,496**	**1,365**	**4,216**
Balance at 1 January 2022	355	2,496	1,365	4,216
Dividend paid	0	0	-1,365	-1,365
Profit for the year and comprehensive income	0	1,566	1,406	2,972
Balance at 31 December 2022	**355**	**4,062**	**1,406**	**5,823**

Cash flow statement 1 January – 31 December

(DKK million)

	Note	2022	2021
Cash flow from operating activities			
Operating profit (EBIT)		2,500	2,351
Adjustments			
Depreciation, amortisation and writedowns	7	503	537
Loss on the disposal of property, plant & equipment		-1	-1
Joint taxation contribution		-63	-366
Cash flow from operations (operating activities) before change in working capital		**2,939**	**2,521**
Change in working capital			
Receivables and prepayments		-308	-371
Trade and other payables		-182	495
Total cash flow from operating activities		**2,449**	**2,645**
Cash flow from investing activities			
Acquisition of tangible fixed assets		-115	-140
Purchase of securities		-484	-163
Total cash flow from investing activities		**-599**	**-303**
Free cash flow		**1,850**	**2,342**
Cash flow from financing activities			
Other non-current liabilities incurred		1,842	1,850
Redemption and repayment of non-current liabilities		-2,500	-2,304
Raising of loans at credit institutions		57	0
Interest expenses, paid		-189	-210
Paid dividend to shareholder		-1,365	-1,378
Total cash flow from financing activities	20	**-2,155**	**-2,042**
Change for the period in cash and cash equivalents		**-305**	**300**
Opening cash and cash equivalents		315	15
Closing cash and cash equivalents		**10**	**315**

Notes

Note 1 Accounting policies

A/S Storebælt is a limited company based in Denmark. A/S Storebælt 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 Storebælt's financial statements for 2022 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 over the financial year and for the comparative figures. However, for standards implemented going forward, the comparative figures have not been restated.

The comprehensive income statement includes income from the use of fibre optic and telephone cables on the Storebælt Link, and other income in Other operating income. This is in contrast to 2019 and previously where such income was recognised in net revenue.

The accounting policies for net revenue, other external expenses, staff expenses, receivables, prepayments and accrued income, cash at bank and in hand and accruals and deferred income are described in the respective notes.

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

Loans without associated derivative financial instruments are 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 fluctuations in the profit/loss for the year as a result of value adjustments.

Reporting under the ESEF Regulation
The EU Commission's Delegated Regulation 2019/815 on the Common Digital Reporting Format (ESEF Regulation) requires the use of a special digital reporting format for annual reports for listed companies. More precisely, the ESEF Regulation requires the preparation of the annual report in XHTML format. The annual report approved by management shall consist, in accordance with the requirements of the ESEF Regulation, of a zip file, file name Storebælt_2022.zip, containing an XHTM file that can be opened with standard web browsers.

Implementation of new and amended accounting standards
The company implemented the standards and interpretations that come into force for 2022. None of these has affected recognition and measurement in 2022 or is expected to affect 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 expected to affect the Group's measurement and recognition.

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, debt 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 debt arose, or the rate recognised on the previous balance sheet date are recognised in the comprehensive income statement under financial items.

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

Segment information

IFRS requires disclosure of income, expenses, assets and liabilities by segment. A/S Storebælt's assessment is that the company comprises one segment. Internal reporting and financial control by senior management is effected on the basis of one overall segment.

Other operating income and expenses
Other operating income and expenses comprise 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, amortisation of discounts/premiums, inflation indexation, gains and losses on loans and derivatives and foreign exchange translation for transactions in foreign currencies. The difference in fair value at the balance sheet dates represents the total financial items, which, in the comprehensive income statement, are split into financial income, financial expenses and value adjustment.

Financial expenses for financing assets in progress are recognised in the cost price 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 management company for joint taxation and therefore settles all tax payments with the tax authorities.

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

Current Danish corporation tax is distributed by settlement of joint taxation contributions between 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 part attributable to entries directly in the equity.

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

Cash at bank and in hand, securities and other financial receivables are recognised at amortised cost.

Holdings and returns on treasury shares are offset against equivalent issued bond loans 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 through the comprehensive income statement. Irrespective of interest rate hedging, all loans are measured at fair value with ongoing value adjustments recognised 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 determined as their market value based on discounting of known future and expected cash flows with the relevant discount rates, as there are typically no quotations available for unlisted bond issuers and bilateral loans. Discount rates are determined based on current market rates assessed to be available to the company as borrower.

The calculation of the fair value on on-lending from the state is based on observable market prices for the respective government bonds, with no restatement. No change in the fair value of on-lending to the state has been made as a result of changes in Sund & Bælt's credit risk. This is due to the fact that Sund & Bælt has a guarantee from the Danish state, c.f. Act on Sund & Bælt.

On-lending was previously placed in level 1 fair value hierarchy. This has been changed to level 2 in that on-lending is a bilateral loan with the state. The comparative figures have been adjusted.

Inflation-indexed loans consist of a real interest rate plus an add-on for inflation indexation. The expected inflation is included in the calculation of the fair value of the inflation-indexed loans and is based on break even inflation from the so-called break-even inflation swaps where a fixed inflation payment is exchanged with realised inflation that is unknown at the time. Danish breakeven inflation is determined within a spread to European breakeven inflation-linked swaps with HICPxT as the reference index. Discounting follows the general principles referred to above.

The fair value of loans with associated structured financial instruments is determined collectively and the market value of any optionality in the interest and instalment payments on the loan is determined using the standardised and recognised valuation methods (closed form formula) where the volatility on reference rates and foreign exchange are included.

Loans with a contractual maturity of more than one year are included as long-term debt.

Derivative financial instruments are recognised and measured at fair value in the balance sheet and initial recognition in the balance sheet is measured at fair value. Positive and negative fair values are included in financial assets and liabilities respectively, and netting of positive and negative fair values on derivatives is only made when there is the right and intention to settle several financial instruments net.

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 OTC derivatives with financial counterparties. Thus, there are no listed quotations for such financial instruments. 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 the 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 inflation-indexed loans, inflation swaps contain an add-on for inflation indexation. The projected inflation is recognised in the calculation of the fair value of the inflation swaps and is based on breakeven inflation from the so-called breakeven inflation swaps, where a fixed inflation payment is exchanged with realised inflation that is unknown at that time. Danish breakeven inflation is determined within a spread to European breakeven inflation-linked swaps with HICPxT as reference index. Discounting follows from the general principles referred to above.

For derivatives with an option for the cash flows, such as currency options, interest rate guarantees and swaptions, fair value is determined on the basis of recognised and standardised valuation methods (closed form formulas) where the volatility of the underlying reference interest rates and currencies are included. Where derivatives are tied to several underlying financial instruments, a total fair value is determined as the sum of the fair value of the individual financial instrument.

According to IFRS 13, financial assets and liabilities recognised at fair value shall be classified in a 3-layer hierarchy for the valuation method. 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 based on unobservable market data, and therefore require separate comment.

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

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

Tangible fixed assets
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, amortisation and writedowns.

During the construction period, the value of the road and rail facilities is stated using the following principles:

- Expenses relating to the facilities based on agreements and contracts signed 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 works 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 facilities 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 railway facilities across Storebælt, these are divided into components with similar useful lives:

- The main sections of the facilities comprise structures designed for minimum useful lives of 100 years. The depreciation period for these 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.
- Rail track is depreciated over 60 years. Types of track and railway engineering systems with shorter service lives than rails are depreciated over 10-33 years.

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

• Administrative IT systems and programmes (software)	3-5 years
• Other plant, machinery, fixtures and fittings	5-10 years
• Port facilities and buildings at the ports	25 years
• Buildings for operational use	25 years

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

The depreciation method and the expected useful life are reassessed annually and 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.

Impairment of assets
Intangible, tangible 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 discount 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 22: Profitability.

Provision for losses is recognised in the comprehensive income statement.

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

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

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

Joint tax contributions owed and receivable are included in the balance sheet under corporation tax.

Deferred tax is measured using the balance-sheet oriented liability method of all interim differences between the tax value of an asset or liability and its net book value. In cases where the computation of the tax value can be performed on the basis of the different taxation rules, the deferred tax is measured on the basis of the management's planned utilisation of the asset or the disposal of the liability.

Deferred tax assets, including the tax value of tax losses entitled to be carried forward are recognised under other non-current assets at the value at which they are expected to be used, either by elimination of the tax on future earnings or by set-off against deferred tax liabilities within the same legal 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 in respect of the eliminations of unrealised intra-group profits and losses.

Other 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 has been compiled 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 stated as the profit/loss for the year before financial items adjusted for non-cash result items, calculated corporation tax and changes in working capital. The working capital comprises the operations-related balance sheet items under current assets and current liabilities.

Cash flow from investing activities comprises the acquisition and disposal of intangible, tangible and financial assets and dividend received from the jointly managed company.
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 with only negligible risks to 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 facilities

Note 2 Significant accounting estimates and judgements

Determining the net book value of certain assets and liabilities requires an estimate as to what extent future events will impact the value of those assets and liabilities on the balance sheet date. Estimates that are material to the financial reporting are made by calculating the amortisation, depreciation and writedowns of the road and rail facilities and by calculating the fair value of certain financial assets and liabilities.

Depreciation of the road and rail facilities is based on an assessment of their main components and their expected useful life. Estimates of the expected useful life of the assets are made on an ongoing basis. The assessment of the expected useful life of the facilities includes taking into account their maintenance standard and technical useful life compared to management's projections for the long-term development in traffic patterns and other infrastructure.

The facilities were originally designed for a technical and financial useful life of 100 years for the main components. Due to the long useful life, expectations for the long-term development in traffic patterns and other infrastructure, and thus the need for the current fixed link across Storebælt, are subject to significant estimates. Management is of the opinion that it is currently unlikely that the expected useful life will exceed 100 years from the time of completion of the facilities regardless of whether their technical useful life is longer. A change in the expected useful lives may have a significant impact on the results in the form of changes in the depreciation for the year but has no impact on cash flows.

At the end of the useful life of the facilities, the company is not contractually or legally obliged to dispose of the facilities and restore the soil and seabed upon which the facilities are built. Moreover, it is also management's view that even after the end of its useful life as a fixed link across Storebælt, the facilities will continue to exist and be switched to an alternative use. Management is of the opinion, therefore, that the company does not have a legal or actual decommissioning obligation as far as the facilities are concerned, which is why no provision has been made for this in the accounts.

For certain financial assets and liabilities, an estimate is made of expected future inflation when calculating fair value.

Determining the fair value of financial instruments is associated with estimates of the relevant discount factor for the company, volatility on the reference rate of interest and the currency for financial instruments with optionality in the cash flows as well as estimates of future inflation developments for inflation-indexed loans and swaps. Estimates for determining fair values and depreciation requirements are, as far as possible, based on observable market data and assessed on an ongoing basis with current price indications, see Note 1, Accounting Policies.

In connection with the deferred tax statement, an estimate is made of the future use of tax losses entitled to be carried forward and trimmed net financing expenses, which are based on the expected future earnings of the company and the expected lifetime of the assets. The estimate made is as far as possible based on observable market data and assessed on an ongoing basis with inflation development and current price indicators, c.f. Note 19. Deferred tax.

A/S Storebælt's facilities are deemed as one cash flow generating unit in that the company's road and rail facilities function as one overall unit.

Note 3 Segment information

As stated in Note 1, the company is deemed to constitute one overall segment. No customers account for 10 per cent or more of the company's net revenue. The company's entire revenue is generated in Denmark.

Note 4 Net revenue

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

Net revenue from the road facilities comprises payment per vehicle crossing the Storebælt link. Payment is collected in cash, via debit/credit card or through subsequent invoicing. Tolls on the Storebælt link are set by the Minister of Transport.

Net revenue from the rail facilities comprises payment from Banedanmark for the use of the rail facilities and is based on actual traffic.

Specification of net revenue	**2022**	**2021**
Net revenue, road	3,091	2,932
Net revenue, railw ay	299	290
Net revenue, ports	29	30
Total net revenue	**3,419**	**3,252**

Note 5 Other external expenses

Other external expenses comprise expenses relating to the technical, traffic-related and commercial operations of the Storebælt Link. This includes, for instance, the operation and maintenance of technical systems, staffing and charging costs relating to the toll station, insurances, costs relating to premises, financial management and external services. Other operating expenses also include fees to the parent company of DKK 135 million (DKK 117 million in 2021).

Fees to auditors appointed by Annual General Meeting:	**Deloitte**	**Deloitte**
DKK 1,000	**2022**	**2021**
Statutory audit	268	200
Other assurance statements	116	55
Other services	95	18
Audit fees, total	**480**	**273**

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

Note 6 Staff expenses

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 0.8 million (DKK 0.7 million in 2021).

Note 7 Depreciation, amortisation and writedowns

Gains and losses on the disposal of tangible fixed assets are stated as the difference between the sales price less sales costs and the net book value at the time of sale. Gains or losses are recognised in the comprehensive income statement under other operating income and other operating expenses.

	2022	2021
Depreciation		
Tangible fixed assets - road facilities	230	226
Tangible fixed assets - rail facilities	244	282
Tangible fixed assets - port facilities	12	13
Tangible fixed assets - land and buildings	6	6
Tangible fixed assets - other fixtures and fittings, plant and equipment	8	7
Total depreciation	**500**	**534**
Writedowns:		
Tangible fixed assets - rail facilities	0	3
Tangible fixed assets - road facilities	3	0
Total writedowns	**3**	**3**
Total depreciation and writedowns	**503**	**537**
Profit/loss from sale of assets:		
Losses on the disposal of property, plant & equipment	-1	-1
Profit/loss from sale of assets Total	**-1**	**-1**

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.

Net financing expenses comprise accrued coupons, both nominal and inflation-linked, realised indexation on inflation-linked instruments and amortisation of premiums/discounts while other cost and expected inflation indexation are included in value adjustments.

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

	2022	2021
Financial income		
Interest income, financial instruments	0	7
Total financial income	**0**	**7**
Financial expenses		
Interest expenses, loans	-458	-179
Interest expenses, financial instruments	-345	-118
Other financial items, net	-11	-11
Total financial expenses	**-814**	**-308**
Net financing expenses	**-814**	**-301**
Value adjustments, net		
- Loans	2,237	235
- Currency and interest rate swaps	3	-131
Value adjustments, net	**2,240**	**104**
Total financial items	**1,426**	**-197**
Of which financial instruments	-342	-242

Commission to the Danish State of DKK 28 million (2021: DKK 28 million) is recognised in interest expenses.

Net financing expenses were DKK 513 million higher in 2022 compared to 2021. This is due almost exclusively to the impact of high inflation on the part of the debt exposed to inflation indexation.

Note 9 Tax

	2022	2021
Current tax	-179	-366
Change in deferred tax	-775	-108
Adjustment current tax, previous years	15	0
Adjustment deferred tax, previous years	-15	0
Total tax	**-954**	**-474**
Tax on the year's results is specified as follow s:		
Computed 22 per cent tax on annual results	-864	-474
Provision for uncertain tax position	-90	0
Total	**-954**	**-474**
Effective tax rate	24.3	22.0

Note 10 Software

	2022	2021
Cost opening balance	12	13
Disposals for the year	-9	-1
Cost closing balance	**3**	**12**
Depreciation, amortisation and w ritedow ns, opening balance	12	13
Depreciation on assets disposed of	-9	-1
Depreciation, amortisation and w ritedow ns, closing balance	**3**	**12**
Net book value	**0**	**0**

Note 11 Road facilities

The road facilities are measured at cost at the time of first recognition. The cost price comprises the price of acquisition and costs directly related to acquisition up to the date when the facilities are ready for use. The road facilities are subsequently measured at cost less depreciation, amortisation and writedowns applied.

During the construction period, the value of the road facilities is stated using the following principles:

- Expenses relating to the facilities based on agreements and contracts signed are capitalised directly.
- Other direct expenses are capitalised as value of own work.
- Net financing expenses are capitalised as construction loan interest.

All financing expenses, excluding financial value adjustments are used for the asset and therefore capitalised.

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

	Directly capitalised expenses	Value of own work	Financing expenses (net)	Projects in progress	Total 2022	Total 2021
Cost opening balance	12,976	982	4,399	80	18,437	18,353
Additions for the year	0	0	0	90	90	93
Disposals for the year	-7	0	0	0	-7	-9
Transfers for the year	78	0	0	-78	0	0
Cost closing balance	**13,047**	**982**	**4,399**	**92**	**18,520**	**18,437**
Depreciation, amortisation and writedowns, opening balance	3,928	236	1,052	0	5,216	4,999
Depreciation, amortisation and writedowns for the year	179	10	44	0	233	226
Depreciation on assets disposed of	-7	0	0	0	-7	-9
Depreciation, amortisation and writedowns, closing balance	**4,100**	**246**	**1,096**	**0**	**5,442**	**5,216**
Net book value	**8,947**	**736**	**3,303**	**92**	**13,078**	**13,221**

Note 12 Rail facilities

The rail facilities are measured at cost at the time of first recognition. The cost price comprises the price of acquisition plus costs directly related to acquisition up to the date when the rail facilities are ready for use. The facilities are subsequently measured at cost less depreciation, amortisation and writedowns applied. The cost price for the rail facilities also includes stocks of spare parts. The cost price includes the acquisition price plus the addition of landed costs.

During the construction period, the value of the rail facilities is stated according to the following principles:

- Expenses relating to the facilities based on agreements and contracts signed are capitalised directly.
- Other direct expenses are capitalised as value of own work.
- Net financing expenses are capitalised as construction loan interest.

All financing expenses, excluding financial value adjustments are used for the asset and therefore capitalised.

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

	Directly capitalised expenses	Value of own work	Financing expenses (net)	Projects in progress	Total 2022	Total 2021
Cost opening balance	12,417	567	5,034	39	18,057	18,048
Additions for the year	0	0	0	19	19	36
Disposals for the year	-4	0	0	0	-4	-27
Transfers for the year	16	0	0	-16	0	0
Cost closing balance	**12,429**	**567**	**5,034**	**42**	**18,072**	**18,057**
Depreciation, amortisation and writedowns, opening balance	4,579	219	1,941	0	6,739	6,481
Depreciation, amortisation and writedowns for the year	178	7	59	0	244	282
Depreciation on assets disposed of	-4	0	0	0	-4	-24
Depreciation, amortisation and writedowns, closing balance	**4,753**	**226**	**2,000**	**0**	**6,979**	**6,739**
Net book value	**7,676**	**341**	**3,034**	**42**	**11,093**	**11,318**

Note 13 Port facilities

	2022	2021
Cost opening balance	356	357
Additions for the year	1	0
Disposals for the year	0	-1
Cost closing balance	**357**	**356**
Depreciation, amortisation and w ritedow ns, opening balance	198	186
Depreciation, amortisation and w ritedow ns for the year	12	13
Depreciation on assets disposed of	0	-1
Depreciation, amortisation and writedowns, closing balance	**210**	**198**
Net book value	**147**	**158**

Note 14 Land and buildings

	2022	2021
Cost opening balance	158	157
Additions for the year	1	1
Cost closing balance	**159**	**158**
Depreciation, amortisation and w ritedow ns, opening balance	96	89
Adjustment to opening balance	0	1
Depreciation, amortisation and w ritedow ns for the year	6	6
Depreciation, amortisation and writedowns, closing balance	**102**	**96**
Net book value	**57**	**62**

Note 15 Other plant, machinery and fixtures and fittings

	2022	2021
Cost opening balance	152	142
Additions for the year	5	10
Disposals for the year	-1	0
Cost closing balance	**156**	**152**
Depreciation, amortisation and w ritedow ns, opening balance	122	115
Depreciation, amortisation and w ritedow ns for the year	8	7
Depreciation on assets disposed of	-1	0
Depreciation, amortisation and writedowns, closing balance	**129**	**122**
Net book value	**27**	**30**

Note 16 Receivables

Trade receivables and services primarily comprise receivables relating to the rail fee. Receivables from company members and affiliated companies include receivables from revenue from express lanes, which is reinvoiced to users by Brobizz A/S and Øresundsbro Konsortiet I/S, respectively.

A/S Storebælt is not obliged to cover any losses on receivables from revenue, which is reinvoiced by Brobizz A/S and Øresundsbro Konsortiet I/S, which is why no provision has been made for losses on receivables.

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

	2022	2021
Trade receivables and services	19	14
Members	225	298
Receivables, Øresundsbro Konsortiet I/S	9	10
Tax paid in advance	197	0
Other receivables	5	1
Total receivables	**455**	**323**

Note 17 Prepayments and accrued income

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

	2022	2021
Prepaid expenses - other	13	3
Accrued interest, financial instruments	168	175
Total prepayments and accrued income	**181**	**178**

Note 18 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 concern.

A/S Storebælt's share capital comprises 5,000 shares at a nominal value of DKK 1,000, 1 share at a nominal value of DKK 150 million and 1 share at a nominal value of DKK 200 million.

It is proposed to the Annual General Meeting to distribute DKK 1,406 million in ordinary dividend.

The share capital has remained unchanged for more than 5 years.

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

Without special notification of each individual case, the Danish State guarantees the company's other financial liabilities.

Note 19 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.

	2022	2021
Balance, opening	-1,243	-1,135
Deferred tax for the year	-775	-108
Adjustment deferred tax, previous years	-15	0
Balance, closing	**-2,033**	**-1,243**
Deferred tax relates to:		
Intang. fixed assets & tangible fixed assets	-1,456	-1,281
Unrealized rate adjustments	-487	0
Reduced net financing expenses	0	38
Provision for uncertain tax position	-90	0
Total	**-2,033**	**-1,243**

Difference during the year:	**Opening 2021**	**Adjstmts. for the year 2021**	**Closing 2021**	**Adjstmts. for the year 2022**	**Closing 2022**
Intang. fixed assets & tangible fixed assets	-1,135	-146	-1,281	-175	-1,456
Unrealized rate adjustments	0	0	0	-487	-487
Reduced net financing expenses	0	38	38	-38	0
Provision for uncertain tax position	0	0	0	-90	-90
Total	**-1,135**	**-108**	**-1,243**	**-790**	**-2,033**

Note 20 Net debt

Fair value hierarchy	Level 1	Level 2	Level 3	Total 2022	Level 1	Level 2	Level 3	Total 2021
Securities	1,791	0	0	1,791	1,317	0	0	1,317
Derivatives, assets	0	580	0	580	0	497	0	497
Financial assets	**1,791**	**580**	**0**	**2,371**	**1,317**	**497**	**0**	**1,814**
Onlending from the Danish State	0	-16,715	0	-16,715	0	-19,331	0	-19,331
Bond debt	0	-252	0	-252	0	-266	0	-266
Derivatives, liabilities	0	-2,118	0	-2,118	0	-1,686	0	-1,686
Financial liabilities	**0**	**-19,085**	**0**	**-19,085**	**0**	**-21,283**	**0**	**-21,283**

Net debt spread across currencies	EUR	DKK	Other cur-rencies	Total 2022	EUR	DKK	Other cur-rencies	Total 2021
Cash at bank and in hand	84	-74	0	10	23	292	0	315
Credit institutions	0	-57	0	-57	0	0	0	0
Securities	1,791	0	0	1,791	1,317	0	0	1,317
Onlending from the Danish State	0	-16,715	0	-16,715	0	-19,331	0	-19,331
Bond debt	0	-252	0	-252	0	-266	0	-266
Currency and interest rate swaps	-546	-992	0	-1,538	-1,315	126	0	-1,189
Currency forwards	0	0	0	0	0	0	0	0
Currency options	0	0	0	0	0	0	0	0
Accrued interest	-13	78	0	65	-28	91	0	63
Total net debt (fair value)	**1,316**	**-18,012**	**0**	**-16,696**	**-3**	**-19,088**	**0**	**-19,091**

The above is included in the following items.

	Deriva-tives assets	Deriva-tives liabilities	Total 2022	Deriva-tives assets	Deriva-tives liabilities	Total 2021
Interest rate swaps	580	-2,118	-1,538	497	-1,686	-1,189
Gross value derivatives	**580**	**-2,118**	**-1,538**	**497**	**-1,686**	**-1,189**
Accrued interest, financial instruments	168	-89	79	175	-97	78
Offsetting cf. IAS32	0	0	0	0	0	0
Gross value	**748**	**-2,207**	**-1,459**	**672**	**-1,783**	**-1,111**
Offsetting options by default [1])	-329	329	0	-389	389	0
Collateral	-171	1,689	1,518	-30	1,235	1,205
Net value, total	**248**	**-189**	**59**	**253**	**-159**	**94**

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

Accrued interest	Assets	Liabili-ties	Total 2022	Assets	Liabili-ties	Total 2021
Payables	0	-13	-13	0	-15	-15
Interest rate sw aps	168	-89	79	0	-97	-97
Currency sw aps	0	0	0	175	0	175
Total	**168**	**-102**	**66**	**175**	**-112**	**63**

Net debt is DKK 17,331 million (2021: DKK 17,432 million) stated in nominal notional amounts, and there is thus an accumulated difference of DKK 635 million (2021: DKK 1,659 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	2022	2021
Repayment period - number of years	36	36
Interest-bearing net debt - DKK billion	17.5	17.7
Repayment of debt	2034	2034
Financing expenses excl. value adjustment - per cent per annum	4.37	1.47
Financing expenses incl. value adjustment - per cent per annum	-8.11	0.91

Reconciliation of differences in financial liabilities	Payables	Derivatives	Total
Opening 2022	-19,597	-1,190	-20,787
Cash flow	820	-6	814
Paid interest - reversed	-111	-42	-153
Amortisation	67	-14	53
Inflation indexation	-380	-289	-669
Exchange rate adjustment	0	0	0
Fair value adjustment	2,237	3	2,240
Closing 2022	**-16,964**	**-1,538**	**-18,502**

Reconciliation of cash flow	2022
Cash flow	814
Raising of loans at credit institutions	-57
Guarantee commission	28
Other financial items, net	5
Paid dividend	1,365
Cash flow from financing activities	**2,155**

Reconciliation of differences in financial liabilities	Payables	Derivatives	Total
Opening 2021	-20,245	-991	-21,236
Cash flow	573	61	634
Paid interest - reversed	-160	8	-152
Amortisation	109	-55	54
Inflation indexation	-109	-81	-190
Exchange rate adjustment	4	-4	0
Fair value adjustment	231	-128	103
Closing 2021	**-19,597**	**-1,190**	**-20,787**

Reconciliation of cash flow	2021
Cash flow	634
Guarantee commission	29
Other financial items, net	1
Paid dividend	1,378
Cash flow from financing activities	**2,042**

Note 21 Financial risk management

Financing
A/S Storebælt's financial management is conducted within the framework determined by the company's Board of Directors and guidelines from the Danish Ministry of Finance and Danmarks Nationalbank.

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

The overall objective is to balance the lowest possible financing expenses with the lowest possible risk. 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 Storebælt's funding in 2022 as well as the key financial risks.

Funding
All loans and other financial instruments employed by A/S Storebælt are guaranteed by the Danish State. This means that the company obtains capital market terms equivalent to those available to the State.

However, borrowing must adhere to certain criteria in part because of the demands from the guarantor and in part 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.

The company has established a standardised MTN (Medium Term Note) loan programme in the European bond market with a maximum borrowing limit of USD 5 billion of which USD 0 million has been utilised. Moreover, the company has a Swedish MTN programme of SEK 5 billion of which SEK 0 billion has been utilised.

Since 2002, the company has had access to on-lending, which is a direct loan to the company from the Danish state based on a specific government bond, and subject to the same conditions under which the bond is traded in the market.

In 2022, funding requirements were mainly covered by on-lending from the state, which was a particularly attractive source of funding.

The company raised on-lending for DKK 1.8 billion in 2022.

The extent of A/S Storebælt's borrowing in an individual year is largely determined by the repayments due on loans contracted earlier (refinancing) as well as the liquidity impact from operations.

The company has a requirement to maintain a liquidity reserve of at least 1 month's liquidity consumption.

Financial risk exposure
The company is exposed to financial risks inherent in the funding of the infrastructure facilities and associated with financial management activities.

Risks relating to these financial risk exposures primarily comprise:

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

Financial risks are identified, monitored, controlled and reported 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 the company's liabilities.

Currency risks
The Danish Ministry of Finance has stipulated that the company may have currency exposures to DKK and EUR. The composition of the currency allocation can be distributed with no constraint between the two currencies.

A/S Storebælt's currency exposure at fair value in 2022 and 2021 (DKK million)

Currency	Fair value 2022	Currency	Fair value 2021
DKK	-18,012	DKK	-19,087
EUR	1,316	EUR	-4
Other currency	0	Other currency	0
Total 2022	**-16,696**	**Total 2021**	**-19,091**

Foreign exchange sensitivity for the company amounted to DKK 5 million in 2022 (DKK 0 million in 2021) calculated as Value-at-Risk.

Value-at-Risk for foreign exchange risk sensitivity expresses the maximum loss resulting from unfavourable exchange rate developments within a one-year horizon, with a 95 per cent probability. Value-at-Risk is calculated based on 1-year's history of volatility and correlations in the currencies to which the company is exposed.

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

The company'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 Storebælt, the following framework for 2022 was applied in the interest rate risk management:
- Interest rate refixing risk may not exceed 40 per cent of the net debt
- Duration target on net debt is 4.75 years (variation limit: 4.0-5.5 years)
- Limits for interest rate exposure with fluctuation bands.

The distribution of debt between fixed and floating rate nominal debt and inflation-indexed debt, in conjunction with the maturity profile (maturity on the fixed rate debt) and the currency distribution, determines the uncertainty of financing expenses.

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.

The company has a strategic interest in inflation-indexed debt where financing expenses comprise a fixed real interest rate plus inflation 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 railway revenue are normally indexed. Inflation-indexed debt, therefore, represents a low risk and functions as a hedge of operating revenue and the company's long-term project risk.

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

For A/S Storebælt, the actual duration was between 4.1 years to 5.3 years. The duration was extended as a consequence of the fact that the repayment period was extended as part of the co-financing of the Infrastructure Plan 2035 agreement.

The company is exposed to interest rates in DKK and EUR, and here interest rates on the long-term maturities increased by around 2-2.5 percentage points overall over the year. Interest rate developments in 2022 produced an unrealised fair value gain of DKK 2,240 million from fair value adjustments.

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

The company uses derivatives to adjust the allocation between floating and fixed rate nominal debt and inflation-indexed debt, including, primarily, interest rate and currency swaps.

Yield exposure stated in nominal notional amounts, 2022

Yield buckets	0-1 years	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Nominal value	Fair value
Bond loans and debt	-3,520	-1,850	-2,832	0	-3,240	-6,762	-18,204	-16,981
Interest rate and currency	-2,366	-256	875	-350	2,496	-1,265	-866	-1,459
Cash at bank and in hand	1,552	186	0	0	0	0	1,738	1,744
Net debt	**-4,334**	**-1,920**	**-1,957**	**-350**	**-744**	**-8,027**	**-17,332**	**-16,696**
Of this, real rate instruments								
Real rate debt	0	0	0	0	0	-2,312	-2,312	-4,141
Real rate swaps	0	0	-2,771	0	0	-401	-3,172	-3,304
Real rate instruments total	**0**	**0**	**-2,771**	**0**	**0**	**-2,713**	**-5,484**	**-7,445**

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

Yield buckets	5-10 years	10-15 years	15-20 years	> 20 years
Net debt	-7,026	-1,000	0	0
Of this, real rate instruments	-2,713	0	0	0

Yield exposure stated in nominal notional amounts, 2021

Yield buckets	0-1 years	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Nominal value	Fair value
Securities	0	1,301	0	0	0	0	1,301	1,317
Bond loans and debt	-2,500	-3,352	0	-2,832	0	-9,789	-18,473	-19,611
Interest rate and currency	-4,162	2,795	-1,256	1,130	-350	1,269	-574	-1,111
Currency forwards	0	0	0	0	0	0	0	0
Other derivatives	0	0	0	0	0	0	0	0
Cash at bank and in hand	314	0	0	0	0	0	314	314
Net debt	**-6,348**	**744**	**-1,256**	**-1,702**	**-350**	**-8,520**	**-17,432**	**-19,091**
Of this, real rate instruments								
Real rate debt	0	-1,656	0	0	0	-2,099	-3,755	-4,287
Real rate swaps	0	0	0	-2,517	0	-364	-2,881	-3,363
Real rate instruments total	**0**	**-1,656**	**0**	**-2,517**	**0**	**-2,463**	**-6,636**	**-7,650**

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	-5,520	-3,000	0	0
Of this, real rate instruments	-2,463	0	0	0

Interest rate allocation

2022	Interest rate allocation in per cent	2021
25.0	Floating rate	36.4
31.6	Fixed rate	25.6
43.4	Real rate	38.0
100.0	**Total**	**100.0**

As regards inflation-indexed 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 stated at DKK 50 million and DKK 70 million respectively and the impact is symmetrical for a rise and fall, respectively.

The duration indicates the average time to maturity of the net debt. A high duration involves a low interest rate fixing risk since a relatively small proportion of the net debt needs to be reset to current interest rates.

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

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

Duration

2022 Duration (years)	BPV	Fair value		2021 Duration (years)	BPV	Fair value
4.1	4.5	-9,251	Nominal debt	5.4	6.2	-11,441
4.8	2.7	-7,445	Real rate debt	5.2	4.0	-7,650
4.3	7.2	-16,696	Net debt	5.3	10.2	-19,091

The fair value adjustment's sensitivity to an interest rate change of 1 percentage point can be measured at a fair value loss of DKK 759 million (2021: DKK 1,069 million) with an interest rate fall and a fair value gain of DKK 698 million (2021: 971 million) with an interest rate rise.

The sensitivity calculations are based on the net debt at the balance sheet date. The impact is similar in the financial result and balance sheet due to 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 surplus liquidity, receivables from derivative transactions and trade receivables.

The credit policy for the investment of surplus liquidity has requirements for rating, credit limits and maximum duration.

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

The credit risk from financial counterparties is controlled and monitored on a daily basis through a specific line and limit system which has been approved by the Board of Directors in the company's financial policy and defines the principles for calculating such risks and limits for acceptable credit exposures. The allocation of limits for acceptable credit exposures is determined on the basis of the counterpart'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. 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 Storebælt 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. The parties have title of right to the collateral with mandatory return of income and securities in the absence of bankruptcy.

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

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

The company 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). Net exposure is given as additional information.

There have been no incidents of overdue payments as a result of credit events.

Credit risks on financial assets recognised at fair value distributed on credit quality, 2022

Total counterparty exposure (market value) Rating	Deposits	Derivatives without netting	Derivatives with netting	Collateral	Number of counter-parties
AAA	1,758	0	0	0	1
AA	0	90	0	0	2
A	0	569	295	171	5
BBB	0	0	0	0	0
Total	**1,758**	**659**	**295**	**171**	**8**

Credit risks on financial assets recognised at fair value distributed on credit quality, 2021

Total counterparty exposure (market value) Rating	Deposits	Derivatives without netting	Derivatives with netting	Collateral	Number of counter-parties
AAA	1,317	0	0	0	1
AA	0	395	113	0	2
A	0	251	68	30	5
BBB	0	0	0	0	0
Total	**1,317**	**646**	**181**	**30**	**8**

The company has 8 financial counterparties, including Germany as bond issuer, while the business volume with the remaining 7 counterparties is primarily related to derivative transactions of which 5 counterparties are covered by collateral agreements.

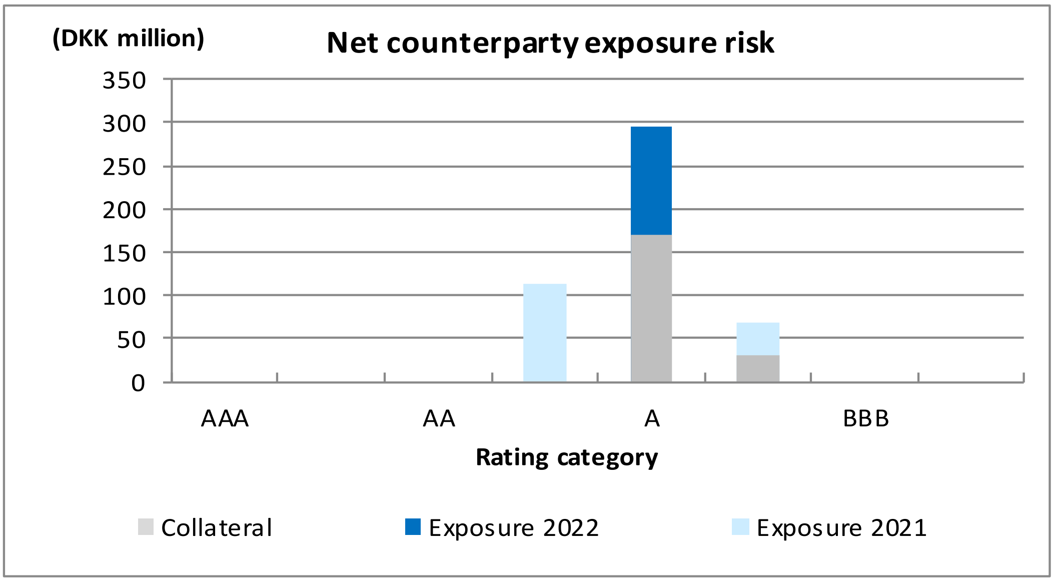
Credit exposure is primarily exposed to the AA and A rating category and is largely covered by collateral agreements.

Counterparty exposure to counterparties with collateral agreements totals DKK 212 million and collateral amounts to DKK 171 million. Counterparty exposure without collateral agreements totals DKK 83 million, primarily in the AA and A rating category.

The company has pledged collateral for DKK 1,689 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 2022 and 2021



Liquidity risk

Liquidity risk is the risk of losses arising if the company has difficulties meeting its 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 a minimum of one month's liquidity requirement imply a limited liquidity risk for the company. 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), 2022

Maturity	0-1 years	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Principal amount							
Debt	-3,520	-1,850	-2,832	0	-3,240	-6,762	-18,204
Derivatives liabilities	0	0	-789	0	0	-76	-865
Derivatives receivables	0	0	0	0	0	0	0
Assets	1,599	186	0	0	0	0	1,785
Total	**-1,921**	**-1,664**	**-3,621**	**0**	**-3,240**	**-6,838**	**-17,284**
Interest payments							
Debt	-208	-81	-81	-32	-32	-524	-958
Derivatives liabilities	-252	-271	-506	-158	-162	-286	-1,635
Derivatives receivables	19	56	40	76	77	519	787
Assets	0	0	0	0	0	0	0
Total	**-441**	**-296**	**-547**	**-114**	**-117**	**-291**	**-1,806**

Maturity on debt as well as liabilities and receivables on financial derivatives (DKK million), 2021

Maturity	0-1 years	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Principal amount							
Debt	-2,500	-3,352	0	-2,832	0	-9,789	-18,473
Derivatives liabilities	0	0	0	-534	0	-40	-574
Derivatives receivables	0	0	0	0	0	0	0
Assets	0	1,301	0	0	0	0	1,301
Total	**-2,500**	**-2,051**	**0**	**-3,366**	**0**	**-9,829**	**-17,746**
Interest payments							
Debt	-116	-183	-81	-81	-32	-458	-951
Derivatives liabilities	-189	-189	-192	-401	-85	-230	-1,286
Derivatives receivables	165	140	82	64	26	143	620
Assets	0	0	0	0	0	0	0
Total	**-140**	**-232**	**-191**	**-418**	**-91**	**-545**	**-1,617**

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 22 Profitability

A/S Storebælt's debt is repaid with the revenue from road and rail traffic. In the long-term profitability calculation, the repayment period is calculated on the basis of the Ministry of Finance's long-term interest rate estimate for a 10-year government bond from August 2022 on the part of the debt that is not hedged while the part of the debt that is hedged is included with the agreed interest rate terms.

The key uncertainties in the profitability calculation relates to long-term traffic development and the estimates for interest rate development.

A/S Storebælt is committed to co-finance the political agreement, a Green Transport Policy, from 29 January 2009 whereby the company distributes dividend to the state of DKK 9.0 billion (2008 prices).

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

The political agreement of 21 September 2017 concerning a 25 per cent fee reduction also comprises an obligation to co-finance the extension of the Funen Motorway to the tune of DKK 2.1 billion (in 2017 prices).

As part of the agreement on the Infrastructure Plan 2035 from 2021, the continued distribution of dividend from A/S Storebælt was agreed. Seen in isolation, this means an extension of the repayment period for A/S Storebælt of 2 years to 36 years.

The repayment period for A/S Storebælt is unchanged at 36 years from the year of opening. This encompasses several opposing factors, including if the effect of rising interest expenses being more than offset by toll charge revaluation, while projections for decelerating growth in 2023 will have a counter effect.

A certain slowdown in traffic is expected in 2023 in line with the general slowdown in economic growth. For passenger cars, growth of 0.7 per cent is expected in 2023, which will gradually rise to a long-term level of 1.5 per cent in 2026. As regards HGVs, a 6.3 per cent decline in growth is projected in 2023 after which growth will increase from 0.3 per cent in 2024 to a long-term level of 1.0 per cent in 2026. Toll charges are revalued in line with consumer prices. Operating costs are projected in line with general inflation. There is also some uncertainty linked to the size and timing of reinvestments in the railway facilities.

Note 23 Trade and other payables

	2022	2021
Trade payables	34	59
Debt group enterprises - group companies	20	66
Guarantee commission payable	27	28
Other payables	57	46
Total	**139**	**199**

Note 24 Accruals and deferred income

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

	2022	2021
Accrued interest, financial instruments	103	112
Accruals and deferred income, total	**103**	**112**

Note 25 Contractual obligations, contingent liabilities and collateral

The company’s contractual obligations comprise construction, operation and maintenance contracts entered into with expiry dates up to 2030 with an overall balance of DKK 323 million (DKK 388 million in 2021). At year end, completed work under contracts amounted to DKK 223 million (DKK 135 million in 2021).

In accordance with the *Act on Ferry Operations*, A/S Storebælt is required, to a specified extent, to maintain car ferry operations between Zealand and Jutland across Kattegat and between Spodsbjerg and Tårs. For the Spodsbjerg and Tårs service, with effect from 1 May 2018, an agreement was entered into with Danske Færger A/S (acquired by Molslinjen A/S in 2018) with regard to the operation of the service for a period of 10 years with the option of a further two years. In 2023, costs are expected to amount to DKK 46 million.

The company 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 Storebælt has currently pledged collateral for DKK 1,689 million to hedge outstanding exposure from derivative transactions in favour of three counterparties in their favour.

The company is part of a Danish joint taxation agreement with Sund & Bælt Holding A/S as the administering company. The company is jointly and severally liable with the other jointly taxed companies for corporation tax for DKK 401 million and for any liability to withhold tax on interest, royalties and dividends within the joint taxation circle.

Otherwise, the company has not pledged any collateral.

Note 26 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 ow nership via Sund & Bælt Holding A/S	On-lending	Based on a specific government bond w ith the same terms. Priced as that bond is traded in the market.
			Commission for on-lending and guarantee for the company's debt	Determined by legis-lation. Accounts for 0.15 per cent of nominal debt.
Sund & Bælt Holding A/S	Copenhagen	100 per cent ow nership of A/S Storebælt	Management of subsi-diary's operational tasks Joint taxation contribution	Market price
A/S Øresund	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	-	-
A/S Femern Landanlæg	Copenhagen	Subsidiary of Sund & Bælt Holding A/S	-	-
Femern A/S	Copenhagen	Subsidiary of A/S Femern Landanlæg	Reinvoicing	Market price
Brobizz A/S	Copenhagen	Subsidiary of Sund & Bælt Holding A/S	Issuer fee Reinvoicing of revenue Purchase/sale of ser-vices	Market price
BroBizz Operatør A/S	Copenhagen	Subsidiary of Brobizz A/S	Reinvoicing	Market price
Øresundsbro Konsortiet I/S	Copenhagen/ Malmø	50 per cent ow nership of partnership via A/S Øresund	Issuer fee Reinvoicing Purchase/sale of ser-vices	Market price
Danish Road Directorate	Copenhagen	Ow ned by the the Ministry of Transport	Purchase of services	Market price
Banedanmark	Copenhagen	Ow ned by the Ministry of Transport	Payment for use of rail link	Determined by the Minister of Transport

DKK 1,000 Related party	Description	Trans-actions 2022	Trans-actions 2021	Balance at December 2022	Balance at December 2021
The Danish State	On-lending (net cash flow)	-815.485	-323.447	16.715	19.331
	Guarantee commission	28.341	-28.678	-26.831	-28.000
Sund & Bælt Holding A/S	Management of subsidiary's operational tasks	-141.503	-119.467	-11.023	-48.384
	Joint taxation contribution	-178.762	-365.693	-178.762	-365.693
A/S Øresund	Maintenance tasks	243	285	0	379
Femern A/S	Reinvoicing	167	9	0	0
Brobizz A/S	Reinvoicing	2.908.334	2.803.512	224.892	297.380
	Issuer fee	-73.938	-65.245	-8.031	-16.177
	Purchase of services	-799	-16.196	21	-1.702
BroBizz Operatør A/S	Reinvoicing	0	-504	0	-52
Øresundsbro konsortiet I/S	Reinvoicing	128.440	132.592	9.350	10.218
	Issuer fee	-4.328	-2.497	-579	-121
	Purchase of services	0	-1.553	0	0
	Sale of services	7	632	0	0
Danish Road Directorate	Purchase of services	-166	-224	-94	0
Banedanmark	Payment for use of rail link	298.654	290.100	-2.245	-5.368
	Maintenance w ork	-3.136	-4.125	-40	-1.322

Note 27 Events after the balance sheet date

No events of significance to the Annual Report 2022 have occurred after the balance sheet date.

Statements and Auditor's report

Management statement

The Board of Directors and Management Board have today considered and approved the annual report for the financial year 1 January - 31 December 2022 for A/S Storebælt.

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, as well as the results of the company's activities and cash flow for the financial year 1 January - 31 December 2022.

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 our view that the Annual Report for A/S Storebælt for the financial year, 1 January - 31 December 2022, with file name Storebælt_2022.zip has, in all material respects, been prepared in accordance with the ESEF regulation.

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

Copenhagen, 28 March 2023

Management Board

Signe Thustrup Kreiner
CEO

Board of Directors

Mikkel Hemmingsen
Chair

Louise Friis
Vice-Chair

Signe Thustrup Kreiner

Storebælt
Sund≈Bælt

Independent auditor's report

To the shareholder of A/S Storebæltsforbindelsen

Our opinion
We have audited the financial statements for A/S Storebæltsforbindelsen for the financial year 1 January 2021 – 31 December 2022 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 2022 and the results of the company's operations and cash flows for the financial year 1 January - 31 December 2022 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 Group in accordance with the International Ethics Standards Board for Accountants (IESBA code) and the ethical requirements that are relevant in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these rules and the IESBA Code. 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 Storebæltsforbindelsen 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 2 years up to and including the financial year 2022.

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 2022. 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 580 million as at 31 December 2022 (DKK 497 million as at 31 December 2021) and DKK 2,118 million as at 31 December 2022 (DKK 1,686 million as at 31 December 2021). 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. This is why management uses estimates for their valuation, including: • Choice of assumptions used in calculating the fair value of 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. • Testing of controls for comparison of the applied fair values with information from the counterparty. • Random checks of registered trades for underlying documentation.

• 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 20.	• 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 the Management Report is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

Declaration of compliance with the ESEF Regulation
As part of the audit of the financial statements for A/S Storebæltsforbindelsen, we have performed actions with a view to expressing an opinion as to whether the annual report for the financial year 1 January - 31 December 2022, with file name Storebælt_2022.zip has been prepared in accordance with the EU Commission's Delegated Regulation 2019/815 on common electronic reporting (ESEF Regulation) which contains requirements for the preparation of annual reports in XHTML format.

Management is responsible for preparing an annual report that complies with the ESEF regulation, including the preparation of an annual report in XHTML format.

Based on the evidence obtained, our responsibility is to obtain a high degree of certainty as to whether the annual report has been prepared in accordance with the ESEF Regulation in all material respects, and to express an opinion. The actions include checking whether the annual report has been prepared in XHTML format.

It is our opinion that the annual report for the financial year 1 January - 31 December 2022, with file name Storebælt_2022.zip has, in all material respects, been prepared in accordance with the ESEF regulation.

Copenhagen, 28 March 2023

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR-no. 33 96 35 56

Anders Oldau Gjelstrup
State-Authorised Public Accountant
MNE-no. mme10777

Anders Houmann
State-Authorised Public Accountant
MNE-no. mme46265