A/S Storebæltsforbindelsen

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CVR no. 10634970

Annual Report 2019

Chair of the Annual General Meeting: Charlotte Yun Linde

Approved at the Annual General Meeting 17 April 2020

Contents

Company objective

A/S Storebælt's primary responsibility is to own and operate the fixed link across Storebælt. The tasks are carried out with due regard for maintaining a high level of accessibility and safety on the link. Moreover, repayment of the loans raised to finance the facilities shall take place within a reasonable time frame.

Highlights of the year

Traffic

Road traffic on the Storebælt Bridge totalled 13.3 million vehicles in 2019, which is a new annual record. Traffic growth amounted to 1.8 per cent compared to 2018, but declined throughout the year, and for passenger cars, there was a real decline in traffic from September to the end of the year. Passenger traffic increased by 1.8 per cent and lorry traffic increased by 2.1 per cent. Train traffic across Storebælt totalled 46,525 trains, which is a decline of 6.4 per cent compared to 2018.

Financial position

The financial result before fair value adjustments and tax is a profit of DKK 2,182 million, which is DKK 65 million higher compared to 2018.

The result is affected by a fall in net revenue of approximately DKK 40 million. This comprises additional revenue from the road link of DKK 43 million corresponding to the traffic growth, a reduction in revenue from the rail link of DKK 12 million and the effect from revenue from the sale of wind turbines of DKK 65 million in 2018. By contrast, the financial result is positively affected by lower net interest expenses of approximately DKK 100 million.

Expenses and depreciation are on a par with 2018.

The fair value adjustments amount to an expense of DKK 262 million against a gain of DKK 91 million in 2018. As a result, the result is reduced by approximately DKK 350 million compared to 2018 corresponding to approximately DKK 270 million after tax.

The result after tax is a profit of DKK 1,498 million.

It is proposed that a dividend of DKK 1,600 million be paid to the shareholder.

Profitability

For A/S Storebælt, the repayment period is unchanged compared to the end of 2018 and totals 34 years, which means that the debt will be repaid in 2032.

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

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

The impact of value adjustments on the financial results

	Income statement with ref. to the Annual Report	Fair value adjust-ment	Proforma statement
Operating profit (EBIT)	2,346.8		2,346.8
Total financial items	-426.7	261.8	-164.9
Profit before fair value adjustment and tax			2,181.9
Fair value adjustment		-261.8	-261.8
Profit before tax	1,920.1		1,920.1
Tax	-422.4		-422.4
Profit for the year	**1,497.7**		**1,497.7**

Economy

The annual results were satisfactory and the result before financial value adjustments and tax thus amounts to a profit of DKK 2,182 million, which is DKK 65 million higher than in 2018.

Revenue totals DKK 3,243 million and is DKK 40 million lower compared to 2018. Road revenue totals DKK 2,919 million and increased by DKK 44 million. With unchanged prices compared to 2018, the increase can solely be attributed to the realised traffic growth. The rail fee was reduced by DKK 13 million primarily owing to the decline in the number of trains of 6.4 per cent. In 2018, revenue from the sale of wind turbine activities was included at DKK 65 million and thus negatively impacts the growth in net revenue.

Expenses total DKK 366 million, which is on a par with 2018.

Depreciation, amortisation and write down are on a par with 2018 and total DKK 530 million in 2019.

In 2019, interest expenses were approximately DKK 100 million lower compared to 2018 which is in part due to the impact of the continued decline in market rates and in part to lower inflation indexation.

Fair value adjustments represent an expense of DKK 262 million in 2019 against a gain of DKK 91 million in 2018. Fair value adjustments are an accounting item, which have no effect on the repayment period for the company's debt as the debt is repaid at nominal value.

Net financing expenses, including fair value adjustment, amount to an expense of DKK 427 million against an expense of DKK 177 million in 2018.

The result before tax is a profit of DKK 1,920 million against DKK 2,207 million in 2018.

Tax on the year's results amounts to an expense of DKK 422 million.

The company's result after tax is a profit of DKK 1,498 million.

In the interim financial statement for Q3, the outlook for the year's financial results before financial value adjustments and tax was at the level of approximately DKK 2,070 million. The realised profit before fair value adjustments and tax is approximately DKK 110 million higher than expected, which primarily derives from lower than expected financing expenses as a result of a lower inflation and interest rate level.

Equity at 31 December 2019 was positive at DKK 4,007 million, including the proposed dividend of DKK 1,600 million.

Cash flow from operations amounts to DKK 3,101 million, which is DKK 546 million higher compared to 2018.

Cash flow from investing activities is negative and totals DKK 138 million, primarily as a result of acquisitions relating to the road and rail facilities and other tangible assets.

The free cash flow arises on the basis of operations less capital expenditure and amounts to DKK 2,963 million. Free cash flow expresses the company's ability to generate liquidity for financing interest and repayment of the company's liabilities.

Financing activities include borrowing, repayments, interest expenses and dividend which amount to DKK 3,228 million net.

In total, the company's cash and cash equivalents reduced by DKK 265 million. Thus, cash and cash equivalents total DKK 0 at the end of 2019.

Future operating results are estimated on the basis of the Ministry of Transport and Housing's fixed fee from Banedanmark for use of the rail link and on the basis of 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 of each individual case, the Danish State guarantees the company's other financial liabilities.

Finance

The main themes in the financial markets during 2019 were the leading central banks' change of direction towards a renewed easing of monetary policy, the significantly weakened economic indicators (especially in Europe) and the major uncertainty factors of Brexit and the trade war.

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

A/S Storebælt reduced its interest-bearing net debt by DKK 886 million in 2019.

At the end of 2019, the interest-bearing net debt totalled DKK 18,946 million for A/S Storebælt.

Financial strategy
A/S Storebælt's objective is to conduct active and comprehensive 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.

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

The company's cautious strategy with regard to credit risk meant that the company did not lose money in 2019 because of financial counterparties' insolvency.

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

The duration of the nominal debt was more or less constant at around 4 years for A/S Storebælt in 2019.

A/S Storebælt – financial ratios 2019

	DKK million	% p.a.
Borrowing 2019	3,177	
- of which on lending	3,177	
Gross debt (fair value)	21,560	
Net debt (fair value)	20,618	
Interest-bearing net debt	18,946	
Real rate (before value adjustment)		**-0,10**
Interest expenses	135	0.68
Value adjustment	263	1.33
Total financing expenses [1)]	**398**	**2.01**

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

Profitability

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

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

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

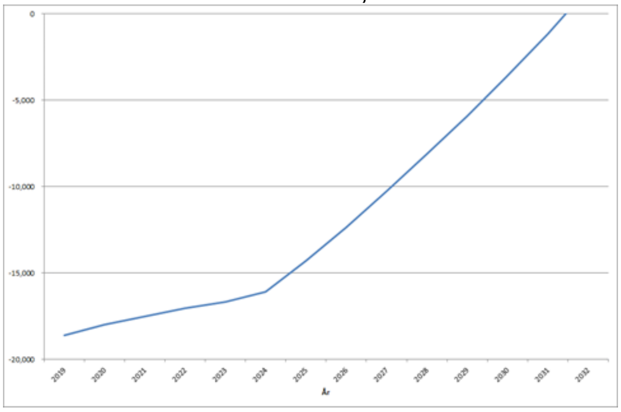
Co-financing of the political agreement, A Green Transport Policy, from 29 January 2009 is included in the calculation of the repayment period whereby the company pays a dividend to the State of DKK 9.0 billion (in 2008 prices) until the financial year 2022.

For the aforementioned purpose, a dividend of DKK 1,380 million is expected to be paid via the parent company for the financial year 2019 after which a total of DKK 8,443 million will have been paid (current prices) to the shareholder

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

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

A/S Storebælt – forecast debt trend, DKK million



Events after the balance sheet date

Please refer to the section Outlook for 2020.

Outlook for 2020

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

Traffic revenue from the road link has declined substantially owing to the closure of workplaces and borders in mid-March and the effect of this is estimated, with great uncertainty, to be a decline in traffic revenue on a monthly basis of approximately DKK 100-120 million. There will also be a loss of revenue as a result of fewer train departures across Storebælt. With respect to financing expenses, the effect is assessed to be limited as it is expected that the interest rate and inflation will remain at a low level over an extended period.

Road

Traffic

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

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

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

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

Traffic records on Storebælt – top 5

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

Annual percentage traffic developments on Storebælt

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

Traffic per day on Storebælt

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

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

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

Maintenance and reinvestments

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

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

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

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

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

In December 2018, a safety and accessibility survey was initiated for the road link. This was conducted in 2019 and includes a wide range of measures to improve safety and accessibility on the

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

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

Drones and image recognition

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

Key figures, DKK million

Road – Storebælt	**2019**	**2018**
Revenue	2,916.4	2,872.6
Expenses	-217.2	-233.2
Depreciation	-234.3	-233.1
Operating profit (EBIT)	2,464.9	2,406.3
Financial items excl. value adjustments	26.6	41.5
Profit before financial value adjustments and tax	**2,491.5**	**2,447.8**

Railway

Total traffic on the Storebælt railway fell by 6.8 per cent compared to 2018 and amounted to 46,525 trains overall. Of this, the number of freight trains in 2019 totalled 9,167, corresponding to a decline of 10.5 per cent compared to 2018. The fall in the number of passengers across Storebælt is due to extensive track work at Ringsted and the simultaneous maintenance work on the Storebælt section. This resulted in many cancelled trains across Storebælt, particularly over Easter when all trains were cancelled.

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

Punctuality

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

Digitalisation and big data

A/S Storebælt is constantly seeking to optimise its operation and maintenance. On the Storebælt railway, a pilot project has been initiated to install sensors on a set of points to collect data for use in online monitoring, machine learning and predictive maintenance.

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

Key figures, DKK million

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

Ports and ferry services

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

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

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

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

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

Key figures, DKK million

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

Ferries	2019	2018
Revenue	0.0	0.0
Expenses	-38.6	-35.2
Depreciation	0.0	0.0
Operating loss (EBIT)	-38.6	-35.2
Net financials excl. value adjustment	0.0	0.0
Loss before financial value adjustments and tax	**-38.6**	**-35.2**

Environment and climate

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

Key figures for selected environmental indicators (total for Sund & Bælt)

	2019	2018	Trend
Waste volume (tonnes)	1,365	1,166	↗
Water consumption (m^3)	11,222	8,755	↗
Water discharge (m^3 million)	3.5	3.7	→
Electricity consumption (million kWh)	9.9	10.6	↘
CO_2 emissions (tonnes)	5,158	4,732	

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

The amount of discharged groundwater, rain and drainage water was slightly reduced compared to 2018. Most of the water is groundwater pumped up to keep the infrastructure dry. No engineering modifications were carried out, so the reduced water volume is attributed to the amount of rain and drainage water which fluctuates from year to year. Over the past five years, between 3.5 and 3.7 million m^3 have been discharged annually.

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

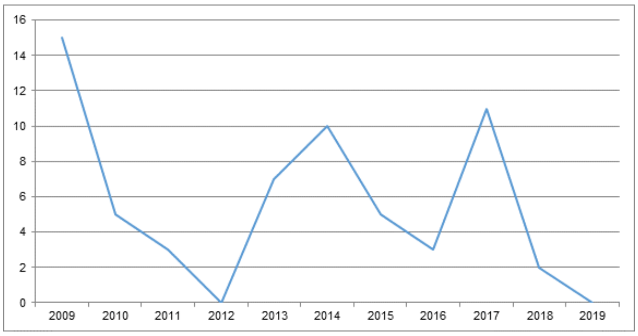
The significantly reduced consumption of electricity has a positive impact on CO_2 emissions. The rise in CO_2 emissions from 2018 to 2019 is due to the fact that the 2019 calculations also include fuel emissions from company vehicles and for employees' transport between the head office in Copenhagen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

Priority on the working environment

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

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

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



Traffic safety on the road link

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

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

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

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

Nature conservation on Sprogø

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

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

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

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

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

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

Corporate Governance

A/S Storebælt is 100 per cent owned by Sund & Bælt Holding A/S. Through its 100 per cent ownership of Sund & Bælt Holding A/S, the Danish State is Storebælt A/S's supreme authority and exercises its ownership in accordance with the legislative guidelines set out in the publication, "The State's ownership policy".

The two-tier management structure consists of a Board of Directors and a Management Board, which are independent of each other. No individual is a member of both boards. A/S Storebælt endeavours to ensure that the company is managed in accordance with the principles of sound corporate governance at all times.

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

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

A/S Storebælt meets the diversity requirements at senior management levels. There is a 33/67% distribution between the genders among board members.

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

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

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

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

The recommendations from the Committee for Corporate Governance are available at www.corporategovernance.dk

CSR – Corporate Social Responsibility

Statutory statement regarding Corporate Social Responsibility, c.f. section 99a of the Danish Financial Statements Act.
As regards the company's formal compliance with section 99a of the Danish Financial Statements Act concerning a statement on social responsibility, please refer to the parent company's management report 2019 under CSR – Corporate Social Responsibility, Corporate Governance, Environment and Climate, Employees and Targets for CSR work in 2020.

Statutory statement regarding the underrepresented gender in accordance with section 99b of the Danish Financial Statements Act.
There is gender balance at top management level, and no target figures have been set for this. Moreover, as the company has no employees, no policy has been established for increasing the underrepresented gender at other management levels.

The annual report for Sund & Bælt Holding A/S is available at www.sundogbaelt.dk/årsrapport

Risk management and control environment

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

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

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

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

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

In view of climate change, which is increasing the risk of generally elevated water levels and an increased risk of dangerous weather conditions, the risk of flooding to the infrastructure facilities is assessed on an ongoing basis. In the past year, the dikes on Sprogø have been raised and similar projects have also been planned for other parts of the facility.

In partnership 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 through exercises.

Long-term traffic development is a significant factor in the repayment period of the debt, c.f. notes 22 and 23, where the calculations and uncertainty factors are described. In addition to the general uncertainties that are inherent in such long-term forecasts, there is a special risk related to adjustment to prices introduced by the authorities, e.g. in the form of EU directives. The introduction of road taxes may also impact on the bridges' market position.

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

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

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

Key figures and financial ratios

(DKK million)	2019	2018	2017	2016	2015
Revenue	3,243	3,283	3,557	3,450	3,556
Expenses	-366	-370	-407	-388	-449
Depreciation, amortisation and writedowns	-530	-528	-530	-858	-531
Operating profit (EBIT)	2,347	2,384	2,621	2,204	2,576
Financial items before value adjustment and tax	-165	-268	-442	-486	-513
Profit before value adjustments	2,182	2,117	2,178	1,718	2,063
Value adjustments, net	-262	91	404	-47	363
Profit before tax	1,920	2,207	2,583	1,671	2,426
Tax	-422	-486	-580	-368	-539
Profit for the year	1,498	1,722	2,003	1,303	1,887
Capital investment for the year - road, railway and ports	123	105	75	115	84
Capital investment in road, railway and ports at the end of the year	25,542	26,015	26,439	26,798	27,562
Bond loans and bank loans	20,663	21,933	21,525	23,221	24,637
Net debt (fair value)	20,618	21,288	22,070	23,599	24,723
Interest-bearing net debt	18,946	19,832	20,307	21,281	22,472
Equity	4,007	4,109	3,987	3,234	3,131
- of which proposed dividend	1,600	1,600	1,600	1,250	1,200
Balance sheet total	28,263	29,328	29,586	30,114	31,324
Cash flow from operating activity	3,101	2,555	2,700	3,454	1,697
Cash flow from investing activity	-138	-44	-82	-128	-88
Cash flow from financing activity	-3,228	-2,246	-2,919	-2,842	-3,047
Total cash flow	-265	265	-301	484	-1,438
Financial ratios, per cent					
Profit ratio (EBIT)	72.4	72.6	73.7	63.9	72.4
Rate of return (EBIT)	8.3	8.1	8.9	7.3	8.2
Return on facilities (EBIT)	9.3	9.2	9.9	8.2	9.4

NB. The financial ratios have been stated as referenced in Note 1, Accounting Policies.

*) The accounting policy regarding the presentation of bank debt in the cash flow statement has changed for 2019 and 2018. The comparative figures for 2017-2015 have not been restated. For further details, see Note 1 Accounting Policies.

Comprehensive income statement 1 January – 31 December

(DKK million)

Note		2019	2018
	Revenue		
4	Net revenue	3,242.9	3,282.6
	Total revenue	**3,242.9**	**3,282.6**
	Expenses		
5	Other external expenses	-362.6	-369.6
6	Staff expenses	-3.6	-0.4
8-13	Depreciation, amortisation and write-downs	-529.9	-528.2
	Total expenses	**-896.1**	**-898.2**
	Operating profit (EBIT)	**2,346.8**	**2,384.4**
15	**Financial items**		
	Financial income	0.2	119.6
	Financial expenses	-165.1	-387.3
	Value adjustments, net	-261.8	90.7
	Total financial items	**-426.7**	**-177.0**
	Profit for the year	**1,920.1**	**2,207.4**
7	Tax	-422.4	-485.7
	Profit for the year	**1,497.7**	**1,721.7**
	Other comprehensive income	0.0	0.0
	Tax on other comprehensive income	0.0	0.0
	Comprehensive income	**1,497.7**	**1,721.7**
	Appropriated as follows:		
	Proposed dividend	1,600.0	1,600.0
	Retained earnings	-102.3	121.7
		1,497.7	**1,721.7**

Balance sheet 31 December – Assets

(DKK million)

Note	Assets	2019	2018
	Non-current assets		
	Intangible assets		
8	Software	0.2	0.3
	Total intangible assets	**0.2**	**0.3**
	Property, plant and equipment		
9	Road link	13,539.4	13,677.0
10	Rail link	11,821.5	12,071.7
11	Port facilities	180.9	188.6
12	Land and buildings	73.6	78.0
13	Other fixtures and fittings, plant and equipment	24.6	16.6
	Total property, plant and equipment	**25,640.0**	**26,031.9**
	Total non-current assets	**25,640.2**	**26,032.2**
	Current assets		
	Receivables		
	Inventory	0.0	1.5
16	Receivables	541.1	759.7
	Bonds	942.4	1,214.0
17	Derivatives	1,127.7	1,039.8
18	Prepayments and accrued income	11.3	15.3
	Total receivables	**2,622.5**	**3,030.3**
19	**Cash at bank and in hand**	**0.0**	**265.4**
	Total current assets	**2,622.5**	**3,295.7**
	Total assets	**28,262.7**	**29,327.9**

Balance sheet 31 December – Equity and Liabilities

(DKK million)

Note	Equity and liabilities	2019	2018
	Equity		
20	Share capital	355.0	355.0
	Retained earnings	2,051.7	2,154.0
	Proposed dividend	1,600.0	1,600.0
	Total equity	**4,006.7**	**4,109.0**
	Liabilities		
	Non-current liabilities		
14	Deferred tax	978.3	778.5
21	Bond loans and amounts owed to credit institutions	18,310.7	17,201.3
	Total non-current liabilities	**19,289.0**	**17,979.8**
	Current liabilities		
21	Current portion of non-current liabilities	2,321.9	4,732.1
	Credit institutions	30.3	0.0
24	Trade and other payables	578.7	643.9
17	Derivatives	2,036.0	1,862.2
25	Accruals and deferred income	0.1	0.9
	Total current liabilities	**4,967.0**	**7,239.1**
	Total liabilities	**24,256.0**	**25,218.9**
	Total equity and liabilities	**28,262.7**	**29,327.9**

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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 2018	355.0	2,032.3	1,600.0	3,987.3
Dividend paid	0.0	0.0	-1,600.0	-1,600.0
Profit for the year and comprehensive income	0.0	121.7	1,600.0	1,721.7
Balance at 31 December 2018	**355.0**	**2,154.0**	**1,600.0**	**4,109.0**
Balance at 1 January 2019	355.0	2,154.0	1,600.0	4,109.0
Dividend paid	0.0	0.0	-1,600.0	-1,600.0
Profit/loss for the year and comprehensive income	0.0	-102.3	1,600.0	1,497.7
Balance at 31 December 2019	**355.0**	**2,051.7**	**1,600.0**	**4,006.7**

Cash flow statement 1 January – 31 December

(DKK million)

Note		2019	2018
	Cash flow from operating acitivities		
	Profit before financial items	2,346.8	2,384.4
	Adjustments		
8-13	Amortisation, depreciation and writedowns	529.9	528.2
	Proceeds from the sale of fixed assets	0.0	-65.7
7	Joint tax contribution	-250.1	-279.7
	Cash flow from operations (operating activities)	**2,626.9**	**2,567.2**
	Change in working capital		
16, 18	Receivables, prepayments and accrued income	504.2	16.6
24-25	Trade and other payables	-30.4	-28.9
	Total cash flow from operations	**3,100.7**	**2,554.9**
	Cash flow from investing activity		
8-13	Acquisition of intangible and tangible fixed assets	-138.2	-114.6
	Sale of tangible assets	0.0	70.8
	Total cash flow from investing activity	**-138.2**	**-43.8**
	Free cash flow	**2,962.5**	**2,511.1**
	Cash flow from financing activity		
	Raising of loans	3,176.5	3,643.8
	Reduction of liabilties	-4,599.1	-3,905.1
	Raising of loans at credit institutions	30.3	0.0
	Debt reduction at credit istitutions	0.0	-109.6
	Interest received	-0.1	-0.4
	Interest paid	-235.5	-274.4
	Paid dividend to shareholder	-1,600.0	-1,600.0
21	**Total cash flow from financing activities**	**-3,227.9**	**-2,245.7**
	Change for the period in cash and cash equivalents	**-265.4**	**265.4**
19	Cash and cash equivalents at 1 January	265.4	0.0
	Cash and cash equivalents at 31 December	**0.0**	**265.4**

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.

The annual financial statements for A/S Storebælt for 2019 are presented in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB and approved by the EU as well as additional Danish disclosure requirements for annual reports for companies with listed bonds (class D).

The financial statements are presented in Danish kroner, which is 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 throughout the financial year and for the comparative figures. However, for standards implemented going forward, the comparative figures have not been restated.

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

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. Consequently, all loans and derivatives are measured at fair value and changes in the fair value are recognised in the comprehensive income statement. Loans are measured at fair value on initial recognition in the balance sheet whereas derivative financial instruments are always measured at fair value, c.f. IFRS 9.

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

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

Implementation of new and amended accounting standards
With effect from 1 January 2019, A/S Storebælt implemented the following amendments or new accounting standards: IFRS 16, Leases, and IFRS 9, Early termination with negative compensation (a minor amendment to the classification) which becomes effective for the financial year beginning 1 January 2019 or later. The implementation has not had any effect in terms of value on the comprehensive income statement, the balance sheet and the equity statement in connection with the company's presentation of accounts.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- Expenses relating to the links are based on concluded contracts, and contracts are capitalised directly
- Other direct expenses are capitalised as the value of own work
- Net financing expenses are capitalised as construction loan interest

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

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

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

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

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

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

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

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

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

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

Impairment losses are recognised in the comprehensive income statement.

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

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

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

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

Joint tax contributions payable and receivable are recognised in the balance sheet under balances with affiliated companies.

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

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

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

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

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

Cash flow statement

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

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

Cash flow from investing activities comprises the acquisition and disposal of intangible assets, property, plant and equipment and financial assets as well as received dividend from 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 where there are only insignificant risks of changes in value.

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

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

Note *2* Significant accounting estimates and judgements

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

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

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

Note 3 Segment information

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

Revenue in respect of the “Road” comprises payment per vehicle that crosses the link while revenue in respect of the ”Railway” comprises fees from Banedanmark. This operating income thus includes the net revenue for one customer which amounts to more than 10 per cent of the company’s total net revenue.

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

Besides the fee from Banedanmark in the operating income "Railway", the company is not dependent on individual major customers and has no transactions with individual customers that amount to 10 per cent of the company's net revenue or above.

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

Note 4 Net revenue

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

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

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

Other revenue comprises income from the use of fibre optic and telephone cables.

Specification of revenue	**2019**	**2018**
Revenue from road link	2,916.4	2,872.6
Revenue from rail link	292.4	305.0
Revenue from port facilities	27.5	28.9
Revenue from wind turbines	0.0	6.8
Other revenue	6.6	69.3
Total	**3,242.9**	**3,282.6**

Note 5 Other external expenses

Other external expenses comprise expenses relating to the technical, transport and commercial operation of the Storebælt Bridge. This includes, for instance, operation and maintenance of technical systems, staffing and collection costs related to the toll station, insurances and external support. Fees to the parent company of DKK 85 million (DKK 78 million in 2018) are also included in other operating expenses.

Fees to auditors elected by annual general PricewaterhouseCoopers	**2019**	**2018**
Statutory audit	0.2	0.2
Other assurance statements	0.0	0.1
Other services	0.2	0.0
Audit fees, total	**0.4**	**0.3**

Other services comprise statements on the company's financial management, EMTN programme and XBRL reports of interim and annual reports.

Note 6 Staff expenses

Staff expenses include other staff expenses only.

Apart from the Management Board, 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 0.7 million (DKK 0.7 million in 2018).

Note 7 Tax

	2019	**2018**
Tax paid	-250.1	-279.7
Change in deferred tax	-172.3	-206.0
Adjustment current tax, previous year	27.4	0.2
Adjustment deferred tax, previous year	-27.4	-0.2
Total	**-422.4**	**-485.7**
Tax on the results for the year is composed as follows:		
Computed 22.0 per cent tax on results for the year	-422.4	-485.7
Total	**-422.4**	**-485.7**
Effective tax rate	22.0	22.0

Note 8 Software

	2019	**2018**
Original cost at 1 January	13.1	13.7
Adjustment to opening balance	0.0	-0.6
Original cost at 31 December	**13.1**	**13.1**
Depreciation at 1 January	12.8	12.1
Depreciation for the year	0.1	0.7
Depreciation at 31 December	**12.9**	**12.8**
Book value	**0.2**	**0.3**

Note 9 Road link

	Directly capitalised expenses	Value of own work	Financing expenses (net)	Total 2019	Total 2018
Original cost at 1 January	12,949.6	982.2	4,398.9	18,330.7	18,289.8
Additions for the year	25.4	60.1	0.0	85.5	61.4
Disposals for the year	-14.1	0.0	0.0	-14.1	-20.5
Original cost at 31 December	**12,960.9**	**1,042.3**	**4,398.9**	**18,402.1**	**18,330.7**
Depreciation at 1 January	3,527.8	206.6	919.3	4,653.7	4,451.7
Depreciation for the year	168.8	9.9	44.4	223.1	222.5
Depreciation on assets disposed	-14.1	0.0	0.0	-14.1	-20.5
Depreciation at 31 December	**3,682.5**	**216.5**	**963.7**	**4,862.7**	**4,653.7**
Book value	**9,278.4**	**825.8**	**3,435.2**	**13,539.4**	**13,677.0**

Note 10 Rail link

	Directly capitalised expenses	Value of own work	Financing expenses (net)	Total 2019	Total 2018
Original cost at 1 January	12,450.9	567.0	5,033.8	18,051.7	18,020.7
Additions for the year	1.2	30.4	0.0	31.6	33.9
Disposals for the year	-3.5	0.0	0.0	-3.5	-2.9
Original cost at 31 December	**12,448.6**	**597.4**	**5,033.8**	**18,079.8**	**18,051.7**
Depreciation at 1 January	4,053.5	195.0	1,731.5	5,980.0	5,701.2
Depreciation for the year	204.0	7.9	69.9	281.8	281.7
Depreciation on assets disposed	-3.5	0.0	0.0	-3.5	-2.9
Depreciation at 31 December	**4,254.0**	**202.9**	**1,801.4**	**6,258.3**	**5,980.0**
Book value	**8,194.6**	**394.5**	**3,232.4**	**11,821.5**	**12,071.7**

Note 11 Port facilities

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

Note 12 Land and buildings

	2019	2018
Original cost at 1 January	156.1	157.6
Additions for the year	1.7	0.6
Disposals for the year	0.0	-2.1
Original cost at 31 December	**157.8**	**156.1**
Depreciation at 1 January	78.1	73.7
Depreciation for the year	6.1	6.5
Depreciation on assets disposed	0.0	-2.1
Depreciation at 31 December	**84.2**	**78.1**
Book value	**73.6**	**78.0**

Note 13 Other plant, machinery and fixtures and fittings

	2019	2018
Original cost at 1 January	122.0	112.8
Additions for the year	13.2	10.3
Disposals for the year	-2.1	-1.1
Original cost at 31 December	**133.1**	**122.0**
Depreciation at 1 January	105.4	102.8
Depreciation for the year	4.9	3.7
Depreciation on assets disposed	-1.8	-1.1
Depreciation at 31 December	**108.5**	**105.4**
Book value	**24.6**	**16.6**

Note 14 Deferred tax

As a consequence of the capitalisation of financing expenses during the construction period, the carrying 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 achieve positive taxable incomes.

	2019	2018
Balance at 1 January	-778.5	-571.9
Deferred tax for the year	-172.3	-206.0
Adjustment deferred tax, previous year	-27.4	-0.2
Other adjustments	-0.1	-0.4
Balance at 31 December	**-978.3**	**-778.5**
Deferred tax relates to:		
Intangible fixed assets and property, plant and equipment	-978.3	-778.5
Reduced net financing expenses	0.0	0.0
Total	**-978.3**	**-778.5**

Difference during the year

	1 Jan 2018	Adjustments for the year 2018	31 Dec 2018	Adjustments for the year 2019	31 Dec 2019
Intangible fixed assets and property, plant and equipment	-572.4	-206.1	-778.5	-199.8	-978.3
Reduced net financing expenses	0.5	-0.5	0.0	0.0	0.0
Total	**-571.9**	**-206.6**	**-778.5**	**-199.8**	**-978.3**

Note 15 Financial items

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

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

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

	2019	**2018**
Financial income		
Interest income, securities, banks etc.	0.2	0.1
Interest income, financial instruments	0.0	119.5
Total financial income	**0.2**	**119.6**
Financial expenses		
Interest expenses, loans	-163.4	-386.6
Other financial items, net	-1.7	-0.7
Total financial expenses	**-165.1**	**-387.3**
Net financing expenses	**-164.9**	**-267.7**
Value adjustments, net		
. Securities	0.1	2.7
- Loans	-224.3	-12.5
- Currency and interest rate swaps	-38.4	99.5
- Currency options	0.0	0.0
- Other value adjustments	0.8	1.0
Value adjustments, net	**-261.8**	**90.7**
Total financial items	**-426.7**	**-177.0**
Of which financial instruments	**-38.4**	**219.0**

Commission to the Danish State of DKK 29.7 million (2018: DKK 31.4 million) is recognised in interest expenses, loans.

Net financing expenses were DKK 103 million lower in 2019 compared to 2018. This is due in part to the impact of the continued fall in market rates and in part to lower inflation indexation.

Note 16 Receivables

Trade receivables are measured at amortised cost. Trade receivables comprise amounts owed by customers and balances with payment card companies. Write-downs are made to offset losses where it is deemed that an individual receivable or a portfolio of receivables is impaired. Impairment losses are determined based on historical loss experience and future expected losses. There are no significant receivables due that are not impaired.

Receivables also comprise accrued interest in respect of assets and paid costs for subsequent financial years. Other receivables are measured at the current value of the amounts expected to be received.

Trade receivables and services primarily include amounts relating to the rail fee (DKK 29 million) and balances with credit card companies (DKK 16 million). Receivables from members of the enterprise and affiliated company comprise receivables from revenue at the BroBizz lanes, which are reinvoiced by BroBizz A/S and Øresundsbro Konsortiet A/S.

	2019	**2018**
Trade receivables and services	66.4	72.2
Members	275.9	498.6
Accrued interest, financial instruments	197.8	188.6
Other receivables	1.0	0.3
Balance at the end of the year	**541.1**	**759.7**

Accrued interest (see note 21):		
Investment	2.9	2.9
Payables	10.3	0.1
Interest rate swaps	165.8	162.6
Currency swaps	18.8	23.0
Accrued interest total	**197.8**	**188.6**

Note 17 Derivatives

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

	2019		**2018**	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Interest rate swaps	969.6	-1,942.3	815.4	-1,779.5
Currency swaps	158.1	-93.6	222.5	-82.7
Forward exchange contracts	0.0	-0.1	1.9	0.0
Currency options	0.0	0.0	0.0	0.0
Total derivatives	**1,127.7**	**-2,036.0**	**1,039.8**	**-1,862.2**

	2019		**2018**	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Gross value derivatives	1,127.7	-2,036.0	1,039.8	-1,862.2
Accrued interest	184.6	-134.5	185.6	-100.0
Gross value recognised in the balance sheet	**1,312.3**	**-2,170.5**	**1,225.4**	**-1,962.2**
Offsetting options by default [1)]	-1,086.8	1,086.8	-757.5	757.5
Collateral	-151.4	864.7	-165.0	727.3
Net value, total	**74.1**	**-219.0**	**302.9**	**-477.4**

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

Note 18 Prepayments and accrued income

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

	2019	2018
Prepaid expenses	11.3	15.3
Total prepayments and accrued income	**11.3**	**15.3**

Note 19 Cash at bank and in hand

	2019	2018
Cash at bank and in hand	0.0	265.4
Total cash at bank and in hand	**0.0**	**265.4**

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

Note 20 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 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.

The company expects to pay dividend of DKK 4,507 per share at a nominal value of DKK 1,000 on the basis of the year's result for 2019 (DKK 4,507 in 2018).

The share capital has remained unchanged since its establishment.

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

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

Note 21 Net debt

2019 Fair value hierarchy	Level 1	Level 2	Level 3
Bonds	942.4	0.0	0.0
Cash at bank and in hand	0.0	0.0	0.0
Derivatives, assets	0.0	1,127.7	0.0
Financial assets	**942.4**	**1,127.7**	**0.0**
Bond loans and debt	-18,796.9	-1,835.7	0.0
Derivatives, liabilities	0.0	-2,036.0	0.0
Financial liabilities	**-18,796.9**	**-3,871.7**	**0.0**

2018 Fair value hierarchy	Level 1	Level 2	Level 3
Bonds	1,214.0	0.0	0.0
Cash at bank and in hand	0.0	0.0	0.0
Derivatives, assets	0.0	1,039.8	0.0
Financial assets	**1,214.0**	**1,039.8**	**0.0**
Bond loans and debt	-18,313.5	-3,619.9	0.0
Derivatives, liabilities	0.0	-1,862.2	0.0
Financial liabilities	**-18,313.5**	**-5,482.1**	**0.0**

2019

Net debt spread across currencies	EUR	DKK	Other currencies	Net debt
Cash at bank and in hand	-243.6	213.3	0.0	-30.3
Investments in bonds	942.4	0.0	0.0	942.4
Bond loans and amounts owed to credit institutions	-8.1	-19,052.0	-1,572.5	-20,632.6
Currency and interest rate swaps, net	-2,935.8	453.7	1,573.8	-908.3
Currency futures, net	-448.3	448.2	0.0	-0.1
Currency options	0.0	0.0	0.0	0.0
Accrued interest, net	-58.9	69.6	0.0	10.7
Total (notes 16, 17, 19, 24)	**-2,752.3**	**-17,867.2**	**1.3**	**-20,618.2**

Other currencies comprise:	AUD	GBP	JPY	NOK	SEK	USD	Total
Cash at bank and in hand	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investments in bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bond loans and amounts owed to credit institutions	0.0	0.0	-962.0	0.0	-566.2	-44.3	-1,572.5
Currency and interest rate swaps	0.0	0.0	962.9	0.0	566.5	44.4	1,573.8
Currency futures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency options	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accrued interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	**0.0**	**0.0**	**0.9**	**0.0**	**0.3**	**0.1**	**1.3**

The above are included in the following items:

	Deriva-tives assets	Deriva-tives liabilities	Total
Interest rate swaps	969.6	-1,942.3	-972.7
Currency swaps	158.1	-93.6	64.5
Forward exchange swaps	0.0	-0.1	-0.1
Total (note 17)	**1,127.7**	**-2,036.0**	**-908.3**

Accrued interest	Receiv-ables	Other payables	Total
Investment	2.9	-2.9	0.0
Debt	10.3	-49.7	-39.4
Interest rate swaps	165.8	-134.5	31.3
Currency swaps	18.8	0.0	18.8
Total (notes 16, 25)	**197.8**	**-187.1**	**10.7**

Net debt is DKK 18,623 million based on the nominal principal sum and there is an accumulated difference of DKK 1,995 million compared to the net debt at fair value, which reflects the difference between fair value and 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.

2018

Net debt spread across currencies	EUR	DKK	Other currencies	Net debt
Cash at bank and in hand	92.6	171.4	1.4	265.4
Investments in bonds	863.8	350.2	0.0	1,214.0
Bond loans and amounts owed to credit institutions	-1,672.7	-18,593.2	-1,667.5	-21,933.4
Currency and interest rate swaps, net	0.0	0.0	0.0	0.0
Currency futures, net	0.0	0.0	0.0	0.0
Currency options	-3,743.1	1,250.7	1,670.0	-822.4
Accrued interest, net	-120.1	108.2	0.0	-11.9
Total (notes 17, 18, 19, 25)	**-4,579.5**	**-16,712.7**	**3.9**	**-21,288.3**

Other currencies comprise:	AUD	GBP	JPY	NOK	SEK	USD	Total
Cash at bank and in hand	0.0	0.0	1.7	-0.1	0.0	-0.2	1.4
Investments in bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bond loans and amounts owed to credit institutions	-6.1	0.0	-987.1	0.0	-603.0	-71.3	-1,667.5
Currency and interest rate swaps	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency futures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency options	6.1	0.0	988.7	0.0	603.8	71.4	1,670.0
Accrued interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	**0.0**	**0.0**	**3.3**	**-0.1**	**0.8**	**-0.1**	**3.9**

The above are included in the following items:

	Derivatives assets	Derivatives liabilities	Total
Interest rate swaps	815.4	-1,779.5	-964.1
Currency swaps	222.5	-82.7	139.8
Forward exchange swaps	1.9	0.0	1.9
Total (note 17)	**1,039.8**	**-1,862.2**	**-822.4**

Accrued interest	Receivables	Other payables	Total
Investment	2.9	-3.0	-0.1
Debt	0.1	-97.5	-97.4
Interest rate swaps	162.6	-99.9	62.7
Currency swaps	23.0	-0.1	22.9
Total (notes 17, 25)	**188.6**	**-200.5**	**-11.9**

Net debt is DKK 19,521 million based on the nominal principal sum and there is an accumulated difference of DKK 1,767 million compared to the net debt at fair value, which reflects the difference between fair value and 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.

Reconciliation of changes in financial liabilities (2019)	Current debt	Non-current debt	Derivatives assets	Derivatives liabilities	Total
Opening 2019	-4,732.1	-17,201.3	1,039.6	-1,862.0	-22,755.8
Cash flow	4,769.5	-2,985.8	-375.8	219.1	1,627.0
Paid interest - reversed	-142.1	-219.6	412.3	-222.8	-172.2
Amortisation	8.0	118.9	-82.2	10.4	55.1
Inflation indexation	4.8	-29.5	6.3	-14.2	-32.6
Currency adjustment	0.6	-33.0	4.8	24.3	-3.3
Fair value adjustment	85.0	-276.2	118.7	-186.9	-259.4
Transfer beginning/end of the year	-2,315.7	2,315.7	3.8	-3.8	0.0
End 2019	**-2,322.0**	**-18,310.8**	**1,127.5**	**-2,035.9**	**-21,541.2**

The difference between the cash flow in the reconciliation above and the cash flow statement is due to the guarantee commission to the State and dividend.

Reconciliation of changes in financial liabilities (2018)	Current debt	Non-current debt	Derivatives assets	Derivatives liabilities	Total
Opening 2018	-3,255.2	-18,269.7	1,099.1	-2,609.4	-23,035.2
Cash flow	3,255.9	-3,264.3	-227.3	760.0	524.3
Paid interest - reversed	-80.6	-366.0	367.6	-210.1	-289.1
Amortisation	0.6	116.3	-81.1	11.6	47.4
Inflation indexation	0.0	-60.4	9.1	-16.1	-67.4
Currency adjustment	-45.6	-47.6	-3.1	82.2	-14.1
Fair value adjustment	29.8	53.5	-178.1	173.2	78.4
Transfer beginning/end of the year	-4,637.0	4,637.0	53.5	-53.5	0.0
End 2018	**-4,732.1**	**-17,201.2**	**1,039.7**	**-1,862.1**	**-22,755.7**

The difference between the cash flow in the reconciliation above and the cash flow statement is due to the guarantee commission to the State, dividend and a gain relating to the change of CSA agreement.

Note 22 Financial risk management

Financing

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

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

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

The following describes A/S Storebælt's funding in 2019 and the key financial risks.

Funding

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

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

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

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

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

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

A/S Storebælt raised on-lending to a nominal value of DKK 3.2 billion in 2019.

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

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

Financial risk exposure

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

Risks relating to these financial risk exposures primarily comprise:

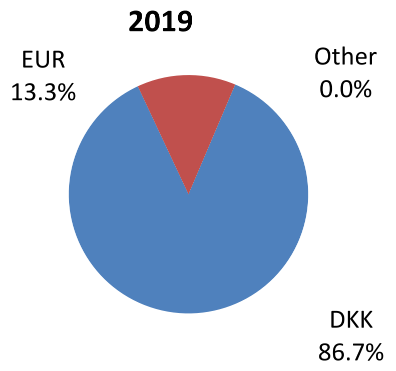
- Currency risks
- Interest rate risks
- Inflation risks
- Credit risks
- Liquidity risks

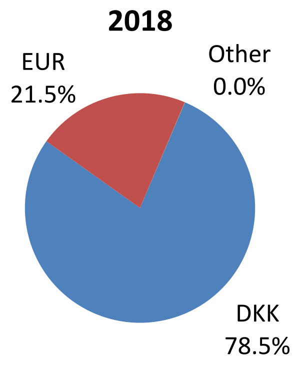
Financial risks are identified, monitored and controlled within the framework approved by the Board of Directors as determined in A/S Storebælt's financial policy and strategy, operational procedures and in accordance with the guidelines from the Danish Ministry of Finance/Danmarks Nationalbank, which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

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

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

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





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

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

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

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

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

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

A/S Storebælt'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 2019 was applied in the interest rate risk management:

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

A/S Storebælt's interest rate risk is actively managed through the use of interest rate and currency swaps and other derivative instruments.

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

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

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

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

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

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

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

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

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

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

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

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

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

For A/S Storebælt, the target for the duration on the nominal debt was 4.0 years for 2019 and the actual duration was between 3.6 years to 4.2 years and was predominantly underweighted in relation to the benchmark, which primarily coincided with the period following dividend distribution when the net debt was relatively higher.

The duration of the strategic benchmark for 2020 is maintained at 4.0 years for A/S Storebælt and the target for the real rate debt ratio is unchanged.

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

A/S Storebælt is exposed to interest rates in DKK and EUR, and here interest rates on the long-term maturities fell by 0.6-0.7 percentage points overall over the year. Interest rate developments in 2019 produced an unrealised fair value loss of DKK 260 million on 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 yield exposure on the net debt is based on the nominal value (the notional) split in time buckets at the earliest of the time to maturity or the time to the next interest rate refixing. Thus, the floating rate debt is included in the next financial year and shows the cash flow exposure to the interest refixing risk.

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

Yield exposure disclosed in nominal notional amounts 2019

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

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

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

Yield exposure disclosed in nominal notional amounts 2018

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

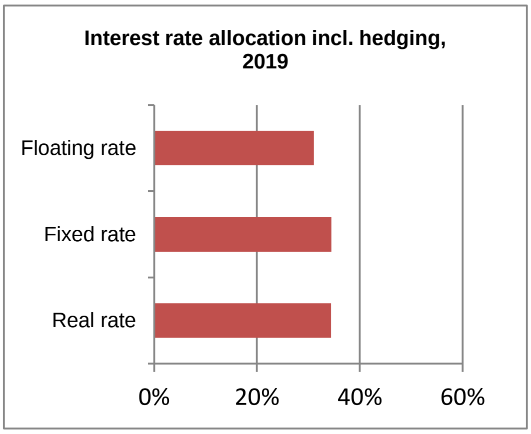
Yield exposure > 5 years is allocated as follows (DKK million)

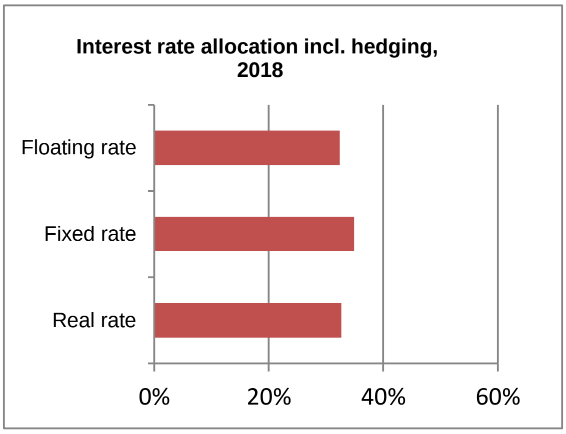
Yield buckets	5-10 years	10-15 years	15-20 years	> 20 years
Net debt	-6,050	-4,610	0	0
Of which real rate instruments	-2,430	-2,369	0	0

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

Interest rate allocation

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





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

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

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

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

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

Duration

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

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

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

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

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

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

Credit risks

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

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

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

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

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

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

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

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

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

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), even though such agreements exist. Net exposure is given as additional information and constitutes a better measure of the companies' actual credit risk.

Credit risks on financial assets recognised at fair value distributed on credit quality 2019

Total counterparty exposure (market value)

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

Credit risks on financial assets recognised at fair value distributed on credit quality, 2018

Total counterparty exposure (market value)

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

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

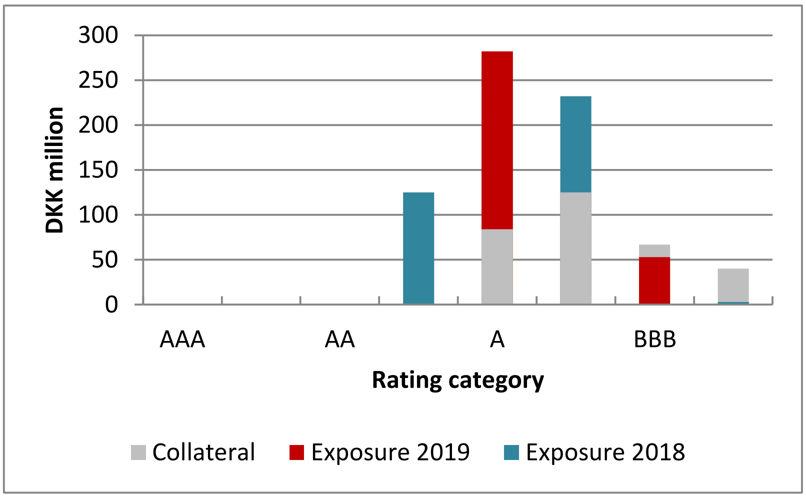
The credit exposure is primarily exposed against the AA and A rating category and is largely covered by collateral agreements.

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

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

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

Distribution of counterparty exposure on rating categories 2019 and 2018



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 up to 6 months' liquidity consumption 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 from financial derivatives, 2019

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

Maturity on debt as well as liabilities and receivables from financial derivatives, 2018

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

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 23 Profitability

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

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

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

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

For the aforementioned purpose, a dividend of DKK 1,380 million is expected to be paid via the parent company for the financial year 2019 after which a total of DKK 8,443 million will have been paid (current prices) to the shareholder

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

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

Note 24 Trade and other payables

	2019	2018
Trade payables	37.1	66.9
Members	250.5	272.7
Debt, Øresundsbro Konsortiet I/S	0.9	0.9
Guarantee commission payable	30.0	31.0
Accrued interest, financial instruments (see note 21)	187.1	200.5
Other payables	73.1	71.9
Total	**578.7**	**643.9**

Accrued interest		
Investment	2.9	3.0
Debt	49.7	97.5
Interest rate swaps	134.5	99.9
Currency swaps	0.0	0.1
Total	**187.1**	**200.5**

Note 25 Contractual obligations, contingent liabilities and collateral

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

	2019	2018
Other Accruals	0.1	0.9
Total	**0.1**	**0.9**

Note 26 Contractual obligations, contingent liabilities and collateral

The company's contractual obligations comprise construction, operation and maintenance contracts with expiry dates up to 2022 at an overall balance of DKK 211 million (DKK 298 million in 2018). At year end, work under contracts amounted to DKK 86 million (DKK 210 million in 2018).

In accordance with the Act on Ferry Operations, A/S Storebælt is required, within a specified extent, to maintain car ferry operations between Zealand and Jutland across Kattegat and between Spodsbjerg and Tårs. For the Spodsbjerg and Tårs service, with effect from 1 May 2018, the company signed a contract with Danske Færger A/S (acquired by Molslinjen A/S in 2018) concerning the operation of the service for a 10 year period with the option of a further two years. In 2020, costs are expected to amount to approximately DKK 35 million.

A/S Storebælt has entered into two-way collateral agreements (CSA agreements) with a number of financial counterparties and is, as a result, obliged to pledge collateral in the form of government bonds for outstanding exposure from derivative transactions in favour of the counterparties. A/S Storebælt has currently pledged collateral for DKK 865 million to hedge outstanding exposure from derivative transactions in favour of three counterparties.

Otherwise, the company has not pledged any collateral.

The company is part of a Danish joint taxation agreement with Sund & Bælt Holding A/S as the administrating company. According to the rules of the Danish Corporation Tax Act, the company is jointly and severally liable, from and including 2013, with the other jointly taxed companies for corporation tax.

Note 27 Related parties

Related parties comprise the Danish State, companies and institutions owned by it. Transactions relating to the company's senior executives are stated in Note 6.

Related party	Registered office	Affiliation	Transactions	Pricing
The Danish State	Copenhagen	100% ownership via Sund & Bælt Holding A/S	Guarantee for the company's debt. Guarantee commission	Determined by legislation. Accounts for 0.15% of nominal debt
Sund & Bælt Holding A/S	Copenhagen	100% ownership of A/S Storebælt	Management of subsidiaries' operational tasks. Common functions. Joint taxation contribution	Market price
A/S Øresund	Copenhagen	Subsidiary of Sund & Bælt Holding A/S	Maintenance tasks. Analysis	Market price
Sund & Bælt Partner A/S	Copenhagen	Subsidiary of Sund & Bælt Holding A/S	_	Market price
A/S Femern Landanlæg	Copenhagen	Subsidiary of Sund & Bælt Holding A/S	_	Market price
Femern A/S	Copenhagen	Subsidiary of A/S Femern Landanlæg	_	Market price
BroBizz A/S	Copenhagen	Subsidiary of Sund & Bælt Holding A/S	Issuer fee Reinvoicing of revenue. Purchase/sale of services	Market price
BroBizz Operatør A/S	Copenhagen	Subsidiary of BroBizz A/S	Reinvoicing of revenue	Market price
Øresundsbro Konsortiet I/S	Copenhagen/ Malmø	Partnership owned 50 per cent by A/S Øresund	Purchase of financial management. Reinvoicing	Market price
Banedanmark	Copenhagen	Owned by the Danish State	Payments for use of rail link. Maintenance tasks	Determined by the Minister of Transport and Housing

Related party	Description	Amount 2019	Amount 2018	Balance at 31 Dec 2019	Balance at 31 Dec 2018
The Danish State	Guarantee commission	-30.7	-31.4	-30.0	-31.4
Sund & Bælt Holding A/S	Management of subsidiary's operational tasks	-65.1	-79.2	-0.8	-11.1
	Joint tax contribution	-250.1	-261.5	-250.1	-261.5
	Common functions	0.8	0.3	0.5	0.0
A/S Øresund	Maintenance tasks	0.8	0.0	0.2	0.0
	Analysis	0.0	0.5	0.0	0.4
BroBizz A/S	Reinvoicing	2,137.6	2,023.1	298.5	280.7
	Sale of services	0.0	1.0	0.0	0.0
	Issuer fee	-62.4	-58.2	-7.8	-7.5
	Purchase of services	-14.6	-16.1	-15.0	-4.3
BroBizz Operatør A/S	Reinvoicing	0.3	0.0	0.0	0.0
Øresundsbro Konsortiet I/S	Purchase of financial management	-4.9	-5.1	-0.9	-0.9
	Reinvoicing	0.0	139.4	0.0	11.9
Banedanmark	Payment for use of rail links	292.5	306.1	29.1	30.0
	Maintenance work	-4.5	-5.0	-4.2	-3.0

Note 28 Events after the balance sheet date

The outbreak of Covid-19 and the subsequent closure of workplaces and borders have created great uncertainty for the coming year's results. Traffic revenue from the road link declined substantially owing to the closure of workplaces and borders in mid-March and the effect of this is estimated, with great uncertainty, to be a decline in traffic revenue on a monthly basis of approximately DKK 100-120 million. There will also be a loss of revenue as a result of fewer train departures across Storebælt. With respect to financing expenses, the effect is assessed to be limited as it is expected that the interest rate and inflation will remain at a low level over an extended period.

Note 29 Approval of the Annual Report for publication

At the meeting of the Board of Directors on 25 March 2020, the Board of Directors approved the Annual Report for publication.
The Annual Report will be presented to the shareholders of A/S Storebælt for approval at the Annual General Meeting on 17 April 2020.

Statement by the Board of Directors and Management Board

The Board of Directors and Management Board have today considered and approved the Annual Report for the financial year 1 January – 31 December 2019 for A/S Storebælt.

The annual report has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for annual reports of issuers of listed bonds.

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

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

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

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Copenhagen, 25 March 2020

Management Board

Mikkel Hemmingsen, CEO

Board of Directors

Peter Frederiksen, Chairman

Jørn Tolstrup Rohde, Vice-Chairman

Walter Christophersen

Claus Jensen

Ruth Schade

Lene Lange

The independent auditor's report

To the shareholder of A/S Storebælt

Our opinion

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

Our conclusion is consistent with our audit report to the Audit Committee and the Board of Directors

What we have audited
A/S Storebælt's Financial Statements for the financial year 1 January to 31 December 2019 comprise the comprehensive income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including the accounting policies ("financial statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the financial statements in Denmark. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code.

To the best of our knowledge and belief, no prohibited non-audit services as referred to in Article 5 (1) of Regulation (EU) No 537/2014 have been carried out.

Election
We were first appointed auditors for A/S Storebælt on 26 April 2016 for the financial year 2016. We are re-elected annually by an Annual General Meeting resolution for a continuous period of four years, up to and including the financial year 2019.

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 2019. 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.

Key audit matter	How our audit addressed the key audit matter
Valuation of loans and derivative financial instruments for fair value A/S Storebælt has raised loans in international capital markets to finance the Storebælt Fixed Link. A/S Storebælt complies with certain regulations governing these loans, such as the State owner's guidelines for the issuing of loans and derivatives as well as the company's own internal guidelines. These regulations govern which loans and derivatives the company may use. A/S Storebælt uses the so-called fair value option, which means that all loans and financial instruments are measured at fair value. The unrealised fair value adjustments are recognised in the income statement and can represent a significant amount.	We evaluated and tested the design and operational effectiveness of the relevant internal controls for obtaining market data that form the basis for calculating fair values and tested the established controls to ensure appropriate recognised valuation models. We checked loans and derivative financial instruments for underlying agreements on a random basis. For derivative financial instruments, we examined controls for comparison of the applied fair values with fair values provided by external parties. We recalculated the fair value of loans and derivative financial instruments using alternative models as a random test.

However, this impact on profit has no effect on cash flow and the loans' long-term payment period. The valuation models for fair value are complex and are primarily based on objective data, but it can happen that A/S Storebælt uses alternative valuation models if this gives a more accurate valuation. We focused on the valuation of loans and derivative financial instruments since the management makes significant estimates from limited observable data as a basis for valuation. See notes 18, 22 and 23.	

Statement on the Management Report
The Management is responsible for the Management's 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 Management's Report and, in doing so, consider whether Management's Report is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Hellerup, 25 March 2020
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 3377 1231

Christian Fredensborg Jakobsen
State-authorised accountant
mne16539

Martin Enderberg Lassen
State-authorised accountant
mne40044

Board of Directors, Management Board and Senior Executives

Board of Directors

Peter Frederiksen, Chairman (date of birth 1963)
Director

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

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

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

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

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

Walter Christophersen (date of birth 1951)
Independent businessman

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

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

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

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

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

- The Trade Unions' Main Organisation – FH
- AKF Holding
- AlsFynBroen
- E-20 Committee
- Green Business Forum
- Climate Partnership
- Øresund metro

Lene Lange (date of birth 1973)
Director: Value AdviceApS

Joined the Board of Directors in 2016
Election period expires 2020

Areas of expertise: Legal advice and project management in public-private partnerships, infrastructure projects, production and processing systems and development and supply contracts. Management experience from position as VP Legal and Human Resources at Terma A/S, Director of Delacour Law Firm, Head of Department and Partner at DLA Piper Law Firm (formerly LETT Law Firm) and Executive Vice President of Skamol A/S. Currently runs independent company providing legal and management consultancy.

Board member of
- Sund & Bælt Holding A/S
- A/S Storebælt
- A/S Øresund
- A/S Femern Landanlæg
- Femern A/S
- Value Advice ApS
- PatentCo ApS
- The independent institution Aarhus Jazz Orchestra

Management Board

Mikkel Hemmingsen
CEO

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

Board member of
- BroBizz A/S (Chairman)
- BroBizz Operatør A/S (Chairman)
- Sund & Bælt Partner A/S (Chairman)
- Femern A/S
- Øresundsbro Konsortiet I/S

Financial glossary

Swaps
The exchange of a series of payments between two counterparties, e.g. interest or currency swaps, typically between a company and a bank. A company can, for example, take out a fixed rate loan and subsequently enter into an interest rate swap with the bank by which the company receives a corresponding fixed interest rate and pays variable interest +/- a premium. The company will thus have a liability to pay the variable interest +/- the premium. In a currency swap, payments are exchanged in two different currencies.

Interest-bearing net debt
Net interest-bearing debt consists of financial assets and liabilities calculated at amortized cost, excluding debt and interest receivable.

Fair value
Fair value is the accounting term for market value and expresses current purchase and selling rates on financial assets and liabilities. Changes in the fair value can be primarily attributed to developments in the level of interest rate, exchange rates and inflation.

Fair value adjustment
An accounting principle in financial reporting requiring the value of assets/liabilities to be determined at their market value (fair value) - i.e. the value they have in the market at a given time if they were to be bought or sold. During the period between receipt and redemption of the asset/liability, the fair value will fluctuate according to, for example, the interest rate level and the exchange rate.

AAA or AA rating
International credit rating agencies assign companies a grade which expresses their credit rating. Typically, companies can be assigned a short and long rating that expresses the company's ability to settle its liabilities in the short-term and the long-term respectively. The rating follows a scale, with AAA being the best rating, AA the second best etc. The Danish State, which underwrites the liabilities of Storebælt and the Øresund fixed link, has the highest credit rating: AAA. The largest credit rating agencies are Moody's and Standard & Poor's.

Real rate
The nominal interest rate adjusted for inflation.