A/S Øresundsforbindelsen

Annual Report 2023

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

Chair of the Annual General Meeting: Charlotte Yun Linde
Approved at the Annual General Meeting: 22 April 2024

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

Contents

Highlights of the year

Road
In 2023, traffic across the 16 km link across Øresund between Denmark and Sweden increased by 8.3 per cent compared to 2022 and almost reached pre-Covid-19 levels.

Records were set for daily, weekend, weekly and monthly traffic on the Øresund Bridge in July.

Passenger car traffic increased by 9.8 per cent compared to 2022. Road freight (HGVs and vans) began to fall from Q2 and ended 5.0 per cent below 2022's level for the year as a whole.

Railway
Some 73,392 passenger trains operated on the Øresund line between Copenhagen Central Station and Copenhagen airport in 2023, which is a fall of 9.5 per cent compared to 2022. The number of freight trains, primarily between Vigerslev and Kalvebod Brygge, totalled 6,618 in 2023 corresponding to a fall of 13.1 per cent compared to 2022.

The number of passenger trains using the Øresund Bridge's rai facilities amounted to 58,347 in 2023, which is a rise of 3.9 per cent compared to 2022. 6,507 freight trains operated across the Øresund Bridge in 2023, which is a fall of 16.4 per cent compared to 2022.

Economy
The result before fair value adjustment and tax, including the share from Øresundsbro Konsortiet I/S, is a profit of DKK 84 million and is thus DKK 455 million higher than in 2022. This is primarily due to the fact that inflation saw a substantial decline in 2023 as the sharp rise in 2022 largely receded. Since part of the company's debt is exposed to inflation indexation, this more than offset the underlying rise in short market rates, resulting in a decrease in the company's net financing expenses of DKK 292 million.

The result for the year after tax is a loss of DKK 195 million against a profit of DKK 2,313 million in 2022. This is largely due to fair value adjustments, which amounted to a loss of DKK 206 million in 2023. In 2022, fair value adjustments resulted in an exceptionally high accounting income of DKK 2,407 million due to unrealised gains on the company's fixed rate debt as the market rates saw a significant rise. The financial markets in 2023 were not characterised by the same large fluctuations in market interest rates.

The EU Commission has reached a new decision in the State aid matter relating to Øresundsbro Konsortiet I/S. The decision concludes that, to a certain extent, A/S Øresund received tax benefits that are not proportional according to the EU's State aid rules and therefore must be repaid. The remaining claims regarding illegal State aid in the form of guarantees etc. were not upheld. An appeal can still be made against the decision and at the time of financial reporting, it is not possible to reliably calculate the amount to be repaid. As the repayment solely relates to the non-proportional tax benefits, A/S Øresund's view is that the repayment will not impact the company's financial position to any significant extent.

Repayment date
As regards A/S Øresund, the repayment date stands at 47 years, which is an uplift of 1 year compared to last year's financial statements. This means that the debt will be repaid in 2045. The improvement can primarily be attributed to an upward adjustment of the long-term traffic revenue on the Øresund link. The dividend distribution from Øresundsbro Konsortiet I/S to A/S Øresund is expected to resume in 2024.

Main figures and key indicators

(DKK million)	2023	2022	2021	2020	2019
Net revenue	11	10	14	20	41
Other external expenses	-112	-100	-85	-40	-96
Depreciation, amortisation and writedowns	-152	-173	-178	-207	-221
Operating loss (EBIT)	-348	-311	-261	-226	-277
Financial items	-515	1,806	-35	-372	-643
Profit/loss before fair val. adjstmts. and tax	84	-371	-89	17	191
Value adjustments, net	-206	2,407	231	-214	-470
Share of results in jointly managed company					
(Øresundsbro Konsortiet I/S*))	627	1,476	584	223	427
Profit/loss	**-195**	**2,313**	**222**	**-293**	**0**
Investments in tangible fixed assets	199	117	66	59	24
Capital investment, road and railway, closing balance	4,300	4,403	4,550	4,677	4,825
Net debt (fair value)	**12,164**	**11,447**	**13,074**	**12,999**	**12,681**
Interest-bearing net debt	12,891	12,313	11,516	11,169	11,018
Equity	-4,369	-4,174	-6,487	-6,709	-6,416
Balance sheet total	11,190	10,395	8,612	8,537	8,577
Cash flow from operating activities	-105	-56	-7	113	263
Cash flow from investing activities	-221	-344	-58	-105	-294
Cash flow from financing activities	496	400	65	-141	165
Total cash flow	**170**	**0**	**0**	**-133**	**134**
Financial ratios, per cent					
Profit ratio (EBIT)	-3,314.3	-3,079.2	-1,933.3	-1,140.9	-675.1
Rate of return (EBIT)	-3.1	-3.0	-3.0	-2.6	-3.2
Return on facilities (EBIT)	-8.1	-7.1	-5.7	-4.8	-5.7

N.B. The key figures are calculated as stated in Note 1 Accounting Policies

*) Øresundsbro Konsortiet I/S' results for 2023 include a loss of DKK 114 million relating to value adjustments (2022: gain of DKK 935 million).

Management report

Development in activities and economic factors

Economy
The result before financial value adjustments, the share of the jointly managed company and tax, is a loss of DKK 657 million against a loss of DKK 912 million in 2022.

Net revenue totals DKK 11 million and mainly comprises fees from Banedanmark for use of the rail link. The fee is fixed and is not dependent on the number of trains using the Øresund line.

Other external expenses total DKK 112 million and are DKK 12 million higher compared to 2022.

Other operating expenses comprise compensation of DKK 96 million that A/S Øresund settled with Øresundsbro Konsortiet I/S in 2023 for lost fees from Banedanmark to Øresundsbro Konsortiet I/S. The compensation stems from the scaling down of railway payments under the 2016 Finance Act and is a consequence of the fact that the payment to Øresundsbro Konsortiet I/S is fixed under a previously concluded government agreement with the Swedish state.

Depreciation, amortisation and writedowns totalled DKK 152 million in 2023, DKK 21 million lower than last year. This can be attributed to the fact that substantial parts of the original facilities were fully depreciated on 1 October 2023.

The profit share from Øresundsbro Konsortiet I/S constitutes an income of DKK 627 million, which includes negative fair value adjustments of DKK 114 million. The profit share before fair value adjustments is thus positive at DKK 741 million which is DKK 200 million higher than in 2022. The profit share is particularly positively affected by a rise in net revenue due to increased traffic.

Traffic on the Øresund Bridge set daily, weekly and monthly traffic records in 2023 with Danish leisure customers travelling across the bridge at an unprecedented level. As opposed to previously, Danish leisure traffic now accounts for most of the traffic across the Øresund Bridge, which is driven by the low Swedish exchange rate. With an average of 19,971 crossings per day in 2023, Øresund Bridge traffic was almost on a par with 2019.

Net financing expenses in 2023 were lower than last year and total DKK 309 million. The fall is primarily due to the fact that inflation saw a substantial decline in 2023 in contrast to 2022 when inflation increased sharply. Inflation impacts interest expenses due to the fact that part of the debt portfolio is exposed to inflation indexation.

The result for the year before fair value adjustments and tax is a profit of DKK 84 million including the profit share in Øresundsbro Konsortiet I/S.

The fair value adjustments of A/S Øresund's own debt in 2023 is a loss of DKK 206 million against a gain of DKK 2,407 million in 2022.

Fair value adjustments relate to changes in the market value of the company's assets and liabilities. The value adjustments are therefore an accounting item with no effect on the repayment period for the company's debt as the debt is settled at nominal value. The company is therefore managed internally according to the result before fair value adjustment and tax as this better expresses actual core operations with an impact on cash flows and the repayment date.

Income statement adjusted for the effect of fair value adjustments

(DKK million)	Compre-hensive income statement 2023	Fair value adjustments	Profit/loss ex. fair value adjustments 2023	Profit/loss ex. fair value adjustments 2022
Operating loss (EBIT)	-348		-348	-311
Financial items excl. value adjustment	-515	206	-309	-601
Loss before share of jointly managed	**-863**		**-657**	**-912**
Profit from jointly managed company	627	114	741	541
Profit/loss before fair val. adjstmts. and tax			**84**	**-371**
Fair value adjustment		-320	-320	3,342
Profit/loss before tax	**-236**		**-236**	**2,971**
Tax	41		41	-658
Profit/loss	**-195**		**-195**	**2,313**

Financial items, including fair value adjustment, amount to an expense of DKK 515 million against an income of DKK 1,806 million in 2022.

The result before tax shows a loss of DKK 236 million against a profit of DKK 2,971 million in 2022.

Tax on the year's result is an income of DKK 41 million.

The result after tax is a loss of DKK 195 million against a profit of DKK 2,313 million in 2022.

In the Annual Report for 2022, the company's outlook was for a loss before financial fair value adjustments and tax within the range of DKK 115-215 million. This was based on an inflation estimate of 3.5 per cent.

In the half-year report, the outlook was adjusted upwards to a loss within the range of DKK 50-150 million. The realised result before fair value adjustments and tax shows a profit of DKK 84 million and thus exceeds the updated range due to the fact that inflation continued to be lower than expected.

Equity as at 31 December 2023 was negative at DKK 4,369 million. The company's equity is expected to remain negative for a considerable number of years. Based on the estimated operating results for the company and Øresundsbro Konsortiet I/S, equity is expected to be restored within 12 years, calculated from the end of 2023. Future operating results are estimated on the basis of the Ministry of Transport's fixed fee from Banedanmark for use of the rail link and the traffic projections for the Øresund Bridge where the operating results are recognised at 50 per cent corresponding to the ownership share.

The free cash flow is negative at DKK 326 million and arises on the basis of operations minus capital investments and expresses the company's ability to generate liquidity for financing interest and repayments on the company's liabilities. The negative free cash flow is primarily due to Øresundsbro Konsortiet I/S having suspended dividend payments due to the State aid matter. The negative free cash flow is financed through increased borrowing.

A/S Øresund's total cash or equivalents amounted to DKK 170 million at the end of 2023.

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

On 28 June 2021, the parties of the Folketing (Danish Parliament) entered into an agreement (Infrastructure Plan 2035) for a transport investment plan for the period 2022-2035. The agreement states that an environmental impact assessment of an Eastern ring road shall be carried out. This is based on the fact that the Eastern ring road will be built along Amager's East coast and will connect the Elsinore motorway in the north with the Øresund motorway in the south. The agreement also stipulates that the environmental impact assessment shall focus on the construction of an immersed tunnel using the Fehmarnbelt link's tunnel element factory in Rødbyhavn. The factory was made permanent under an amendment of the law in December 2023. The Ministry of Transport has assigned the environmental impact assessment to A/S Øresund. The total budget framework for the environmental impact assessment is DKK 527 million (2022 prices). DKK 125 million was set aside for implementing the assessment in the Finance Act. It was subsequently decided to add a further DKK 335 million for work on the environmental impact assessment. Sund & Bælt has also earmarked DKK 67 million for carrying out the assessment.

The Infrastructure Plan 2035 also includes a number of other projects, including the expansion of the Øresund motorway, the expansion of Copenhagen Airport Station and the turnback track at Copenhagen Airport Station as well as the passing track for freight trains at Kalvebod. These projects are being handled by A/S Øresund.

The expansion of Copenhagen Airport Station has two EU grants totalling EUR 30.3 million. The project is also included in the Finance Act with a government grant of DKK 511.9 million (2022 prices) and a central construction reserve of DKK 93.1 million.

A/S Øresund has also entered into a subsidy agreement with the EU for a grant of up to EUR 3.5 million with regard to the planning of a passing track for freight trains at Kalvebod and a turnback track at Copenhagen Airport Station.

Finance

The focal point in the financial markets was the development in inflation, which towards the end of the year was close to zero in Denmark, thus contrasting sharply with the very high inflation in 2022. Decreasing inflation has a direct impact on interest expenses, as the interest accrual on a portion of the debt portfolio is inflation indexed. In Denmark, the inflation rate was 0.1 per cent in October 2023, which is the most important month in terms of indexing the debt.

The long-term interest rates on the State's on-lending fell by around 0.1-0.5 percentage points in 2023.

The interest-bearing net debt increased by DKK 578 million and totalled 12,891 million by the end of 2023.

Financial strategy

A/S Øresund's objective is to conduct 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 debt portfolio is achieved through the use of swaps and other financial instruments.

Through 2023, A/S Øresund exclusively raised on-lending from the Danish State. These loans continue to remain highly attractive compared to alternative funding sources.

The company's strategy as regards credit risks means that the company did not lose money on the failure of financial counterparties in 2023.

A/S Øresund – financial indicators 2023

	DKK million	Per cent p.a.
Borrowing 2023[1)]	2,518	
- of which on-lending	2,463	
Gross debt (fair value)	13,479	
Net debt (fair value)	12,164	
Interest-bearing net debt	12,891	
Real interest rate		-1.0
Net financing expenses	288	2.30
Value adjustment	206	1.65
Total financial expenses[2)]	**494**	**3.95**

1) Note: Borrowing includes discounts/premiums on hedging transactions in respect of on-lending.

2) Note: The amount refers to the net financing expenses relating to active financial management. The amount excludes the guarantee commission, which amounts to DKK 20 million. The amount therefore differs from the company's total net financing expenses.

Outlook for 2024

The outlook for the result for 2024 is for a loss before fair value adjustments and tax of between DKK -70 million and a profit of DKK 30 million.

The budget incorporates a fundamental assumption of 3.0 per cent inflation.

The greatest uncertainty will continue to be linked to inflation. A rise of 1 percentage point will therefore impact financing expenses and thus the result by approximately DKK 50 million.

The outlook for 2024 carries some uncertainty and continues to depend on developments in financial markets and macroeconomic conditions.

Corporate Social Responsibility

Statutory statement of Corporate Social Responsibility c.f. Sections 99a and 107b of the Danish Financial Statements Act

With regard to the company's formal compliance with Section 99a of the Danish Financial Statements Act on reporting on corporate social responsibility, please refer to the parent company's Management Report 2023 under Diversity.

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

As regards senior management, there is equal gender representation, which is why the company has not drawn up and accounted for a target figure.

As a result of the Group structure, the company has no employees apart from the registered Board of Directors and Management Board. The company has therefore chosen to adopt the Danish Financial Statements Act's exception provisions for companies with fewer than 50 employees. Consequently, the company has not established a policy to increase the proportion of the underrepresented gender at other management levels. For the same reason, the company has not set target figures for other management levels.

As a subsidiary of the Sund & Bælt Group, the company is covered by the Group's diversity and sustainability policies. The parent company's annual report contains a group management report which explains in more detail the content and target achievements at Group level.

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

The company's formal compliance with Section 99d of the Danish Financial Statements Act on data ethics policy is published in the parent company's group management report 2023 under Data Ethics.

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

Øresundsbro Konsortiet I/S

Further details can be found in Øresundsbro Konsortiet I/S' annual report or at *www.oresundsbron.com*

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

Risk management and control environment

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

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

The greatest risk to accessibility is prolonged disruption to a transport link caused by a ship colliding with a bridge, a terrorist incident, flooding or similar. The likelihood of such incidents is remote, but the potential consequences are significant. The potential financial losses for the company from such events are covered by insurances.

One of A/S Øresund's objectives is that safety on the links should be high and at least as high as similar Danish infrastructure. This objective has been fulfilled so far.

The impact of climate change on rising water levels, both in general and in severe weather conditions, is regularly assessed in order to ensure the continued protection of the infrastructure facilities. With regard to the Øresund Landanlæg on Amager, a number of dykes have already been established and discussions are in progress with the authorities and other stakeholders to find solutions that can reduce the risk of flooding on Kastrup peninsula.

In collaboration with the relevant authorities, A/S Øresund maintains a comprehensive contingency plan, including an internal crisis management programme, for handling accidents etc. on A/S Øresund's traffic facilities. The programme is tested regularly. To address the environmental risks arising from the implementation of construction and operations, this is covered by the regulatory and planning procedures and subsequently in the execution of the work, its ongoing monitoring and follow-up. Examples of such risks include the impact on the aquatic environment.

Long-term traffic development is a significant factor in the repayment period of the debt, c.f. notes 19 and 20, where the calculations and uncertainty factors are described. In addition to the general uncertainties that are inherent in such long-term forecasts, there is a special risk related to adjustment to prices introduced by the authorities.

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

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

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

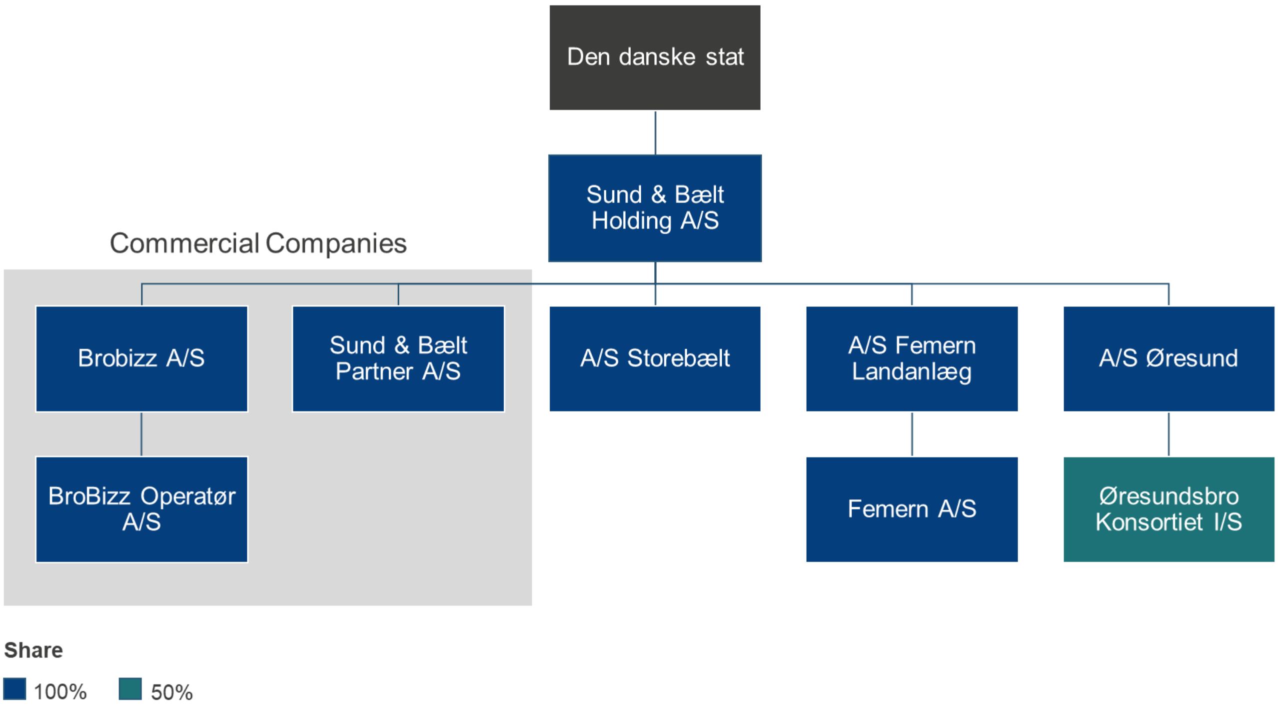
About A/S Øresund

Shareholder information

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

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

Group overview



Main activity

A/S Øresund's primary tasks are to own and operate the fixed link across Øresund with related landworks. These tasks are managed with due consideration for the maintenance of high levels of accessibility and safety on the link. In addition, the repayment of loans raised to finance the facilities must be made within a reasonable time frame. The purpose of the company is also to hold 50 per cent of the shares in Øresundbro Konsortiet I/S.

Board of Directors and Management Board

Board of Directors

Mikkel Hemmingsen
Chair

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

Other offices held:
Chair of:
A/S Øresund
A/S Femern Landanlæg
Femern A/S
Brobizz A/S
BroBizz Operatør A/S
Sund & Bælt Partner A/S
CEI HoldCo ApS

Board member of:
Øresundsbro Konsortiet I/S

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

Signe Thustrup Kreiner

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

Other offices held
Board member of:
A/S Storebælt
A/S Femern Landanlæg (Vice-Chair)
Femern A/S (Vice-Chair)
Brobizz A/S (Vice-Chair)
BroBizz Operatør A/S (Vice-Chair)
Sund & Bælt Partner A/S (Vice-Chair)
Nordsøenheden

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

Louise Friis
Vice-Chair

Chief Legal Officer
Election period expires in 2025

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

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

Management Board

Signe Thustrup Kreiner
CEO

Financial statements

Comprehensive income statement 1 January – 31 December

(DKK million)

	Note	2023	2022
Net revenue			
Net revenue	4	11	10
Total net revenue		**11**	**10**
Expenses			
Other external expenses	5	-112	-100
Other operating income		1	2
Other operating expenses		-96	-50
Depreciation, amortisation and writedowns	7	-152	-173
Total expenses		**-359**	**-321**
Operating loss (EBIT)		**-348**	**-311**
Financial items	8		
Financial income		35	67
Financial expenses		-344	-668
Value adjustments, net		-206	2,407
Total financial items		**-515**	**1,806**
Profit/loss before inclusion of share of results in jointly managed company and tax		**-863**	**1,495**
Share of results in jointly managed company		627	1,476
Profit/loss before tax		**-236**	**2,971**
Tax	9	41	-658
Profit/loss		**-195**	**2,313**
Other comprehensive income		0	0
Tax on other comprehensive income		0	0
Comprehensive income		**-195**	**2,313**

Balance sheet 31 December – Assets

(DKK million)

	Note	2023	2022
Non-current assets			
Property, plant and equipment			
Road link	10	1,187	1,180
Rail link	11	3,113	3,223
Lease assets	12	1	4
Total property, plant and equipment		**4,301**	**4,407**
Other non-current assets			
Participating interest in jointly managed company	13	4,231	3,603
Securities	18	0	635
Derivatives	18	310	522
Total other non-current assets		**4,541**	**4,760**
Total non-current assets		**8,842**	**9,167**
Current assets			
Receivables			
Receivables	14	279	95
Securities	18	1,143	481
Derivatives	18	42	0
Corporation tax	9	178	183
Prepayments and accrued income	15	536	469
Total receivables		**2,178**	**1,228**
Cash at bank and in hand		**170**	**0**
Total current assets		**2,348**	**1,228**
Total assets		**11,190**	**10,395**

Balance sheet 31 December – Equity and liabilities

(DKK million)

	Note	2023	2022
Equity			
Share capital	16	5	5
Retained earnings		-4,374	-4,179
Total equity		**-4,369**	**-4,174**
Liabilities			
Non-current liabilities			
Deferred tax	17	1,003	953
Onlending from the Danish State	18	9,880	9,966
Bond debt	18	205	208
Lease liabilities	12	1	0
Derivatives	18	16	1,548
Total non-current liabilities		**11,105**	**12,675**
Current liabilities			
Onlending from the Danish State	18	2,860	1,684
Credit institutions	18	0	3
Lease liabilities	12	0	4
Trade and other payables	21	120	56
Derivatives	18	1,299	18
Accruals and deferred income	22	175	129
Total current liabilities		**4,454**	**1,894**
Total liabilities		**15,559**	**14,569**
Total equity and liabilities		**11,190**	**10,395**

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Statement o f changes in equity 1 January – 31 December

(DKK million)

	Share capital	Retained earnings	Total
Balance at 1 January 2022	5	-6,492	-6,487
Profit for the year and comprehensive income	0	2,313	2,313
Balance at 31 December 2022	**5**	**-4,179**	**-4,174**
Balance at 1 January 2023	5	-4,179	-4,174
Loss for the year and comprehensive income	0	-195	-195
Balance at 31. december 2023	**5**	**-4,374**	**-4,369**

Cash flow statement 1 January – 31 December

(DKK million)

	Note	2023	2022
Cash flow from operating activities			
Operating loss (EBIT)		-348	-311
Adjustments			
Depreciation, amortisation and writedowns	7	152	173
Joint taxation contribution		-5	65
Cash flow from operations (operating activities) before change in working capital		**-201**	**-73**
Change in working capital			
Receivables and prepayments		-179	-5
Trade and other payables		275	22
Total cash flow from operating activities		**-105**	**-56**
Cash flow from investing activities			
Acquisition of tangible fixed assets		-199	-117
Purchase of securities		-22	-227
Total cash flow from investing activities		**-221**	**-344**
Free cash flow		**-326**	**-400**
Cash flow from financing activities			
Other non-current liabilities incurred		2,518	1,998
Redemption and repayment of non-current liabilities		-1,701	-1,200
Debt reduction with credit institutions		-3	-3
Interest income, received		2	0
Interest expenses, paid		-423	-391
Public subsidies received		107	0
Repayment of lease liabilities		-4	-4
Total cash flow from financing activities	18	**496**	**400**
Change for the period in cash and cash equivalents		**170**	**0**
Opening cash and cash equivalents		0	0
Closing cash and cash equivalents		**170**	**0**

Notes

Note 1 Accounting policies

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

A/S Øresund's financial statements for 2023 are presented in accordance with IFRS Accounting Standards as issued by the IASB and approved by the EU as well as additional Danish disclosure requirements for annual reports for companies with listed bonds (class D).

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

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

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

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

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

Loans without associated derivative financial instruments are measured at fair value in contrast to the main rule laid down in IFRS 9 pursuant to which loans are measured at amortised cost. This naturally leads to fluctuations in the profit/loss for the year as a result of value adjustments.

Reporting under the ESEF Regulation
The EU Commission's Delegated Regulation 2019/815 on the Common Digital Reporting Format (ESEF Regulation) requires the use of a special digital reporting format for annual reports for listed companies. More precisely, the ESEF Regulation requires the preparation of the annual report in XHTML format. The annual report approved by management shall consist, in accordance with the requirements of the ESEF Regulation, of a zip file, file name Øresund_2023.zip, containing an XHTML file that can be opened with standard web browsers.

Implementation of new and amended accounting standards
The company implemented the standards and interpretations that come into force for 2023. None of these has affected recognition and measurement in 2023 or is expected to affect the company.

Adopted accounting standards and interpretations that have not come into effect
There are currently no revised accounting standards and interpretations adopted by the IASB and approved by the EU which will subsequently come into effect, and which are expected to affect the company's measurement and recognition.

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

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

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

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

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

Subsidies to cover expenses are recognised in the comprehensive income statement proportionally over the periods in which the related expenses are recognised in the comprehensive income statement. The subsidies are offset in the costs incurred. Public subsidies linked to the road and rail facilities are deducted from the cost of the asset. The subsidy is disclosed in the construction note.

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

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

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

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

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

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

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

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

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

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

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

Loans are initially and subsequently measured at fair value in the balance sheet. On recognition, all loans are classified as financial liabilities at fair value through the comprehensive income statement. Regardless of the extent of interest rate hedging, all loans are measured at fair value with continuous recognition of fair value adjustments that are stated as the difference in fair value between balance sheet dates.

The fair value of bond issues of bilateral loans is determined as their market value by discounting of known future and expected cash flows with the relevant discount rates, as there are typically no quotations available for unlisted bond issuers and bilateral loans. Discount rates are determined based on current market rates deemed to be available to the company as borrower.

Calculation of the fair value on on-lending from the state is based on observable market data. On-lending is a bullet loan with a fixed interest rate and the payment sequence is known in advance. The fair value is determined on the basis of a discounting factor based on the risk-free interest and determined on the basis of the zero-coupon yield curve for Danish government bonds. A/S Øresund's credit worthiness is comparable to the Danish State's creditworthiness by virtue of the explicit state guarantee on loans and other financial obligations as stated in the Act on Sund & Bælt and state ownership. No adjustment is therefore made to the fair value of on-lending from the State as a result of a change in A/S Øresund's credit risk. In addition, a guarantee commission is paid which, in addition to administration costs, covers any minor differences in liquidity and credit premiums.

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

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

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

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

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

Derivative financial instruments include instruments where the value depends on the underlying value of the financial parameters, primarily reference rates and currencies. All derivative financial instruments are OTC derivatives with financial counterparties. Thus, there are no listed quotations for such financial instruments.

Derivative financial instruments typically comprise interest rate swaps and currency swaps, forward exchange contracts, currency options, FRAs and interest rate guarantees and swaptions. The market value is determined by discounting the known and expected future cash flows using relevant discounting rates. The discounting rate is determined in the same way as loans and cash at bank and in hand, i.e. based on current market interest rates that are expected to be available to the company as borrower.

As with inflation-indexed loans, inflation swaps contain an add-on for inflation indexation. The projected inflation is recognised in the calculation of the fair value of the inflation swaps and is based on breakeven inflation from the so-called breakeven inflation swaps, where a fixed inflation payment is exchanged with realised inflation that is unknown at that time. Danish breakeven inflation is determined within a spread to European breakeven inflation-linked swaps with HICPxT as reference index. Discounting follows from the general principles referred to above.

According to IFRS 13, financial assets and liabilities recognised at fair value shall be classified in a 3-layer hierarchy for the valuation method. Level 1 of the fair value hierarchy includes assets and liabilities recognised at quoted prices in active markets. At level 2, assets and liabilities are valued using active quoted market data as input to generally accepted valuation methods and formulas. Finally, level 3 includes assets and liabilities in the balance sheet that are based on unobservable market data, and therefore require separate comment.

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

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

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

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

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

- The main sections of the facilities comprise structures designed for minimum useful lives of 100 years. The depreciation period for these is 100 years.
- Mechanical installations, crash barriers and road surfaces are depreciated over useful lives of 20-50 years.
- Software and electrical installations are depreciated over useful lives of 10-20 years.
- Rail track is depreciated over 60 years. Types of track and railway engineering systems with shorter useful lives than rails are depreciated over 10-33 years.

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

• Other plant, machinery, fixtures and fittings	5-10 years
• Buildings for operational use	25 years

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

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

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

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

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

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

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

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

- Leased premises 5 years

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

Impairment of assets
Intangible, tangible and financial fixed assets are subject to valuation testing when there is an indication that the net book value may not be recovered (other assets are covered under IFRS 9). Provision for losses is recognised at the amount by which the asset's net book value exceeds the recoverable amount, i.e. the asset's net sales price or its value in use, whichever is higher. Value in use is calculated at the present value of expected future cash flows using a discounting factor that reflects the market's current required rate of return. In determining provision for losses, assets are grouped in the smallest group of assets that generate separate identifiable cash flows (cash-generating units). See also note 20: Profitability.

Provision for losses is recognised in the comprehensive income statement.

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

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

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

Deferred tax is measured according to the liability method for all interim differences between the tax value of an asset or liability and its net book value. When the statement definition of value for taxation can be performed on the basis of different taxation rules, deferred tax is measured on the basis of the management's planned use of the assets or settlement of the liability.

Deferred tax assets, including the value for taxation of tax losses entitled to be carried forward are recognised under other non-current assets at the value at which they are expected to be used, either by elimination of the tax on future earnings or by set-off against deferred tax liabilities within the same legal entity and jurisdiction.

Balances below the interest deduction limitation rules of the Danish Corporation Tax Act are distributed among the jointly taxed companies according to their 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.

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

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

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

Cash flow from investing activities comprises the acquisition and disposal of tangible and financial assets.

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

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 financial ratios listed in the key figures and financial ratios summary are calculated as follows:

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

Note 2 Significant accounting estimates and judgements

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

Depreciation of the road and rail facilities is based on an assessment of their main components and their expected useful life. Estimates of the expected useful life of the assets are made on an ongoing basis. The assessment of the expected useful life of the facilities includes taking into account their maintenance standard and technical useful life as compared to management's projections for the long-term development in traffic patterns and other infrastructure. A change in the expected useful lives may have a significant impact on the results in the form of changes in the year's depreciation but has no impact on cash flows.

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

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

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

In connection with the calculation of deferred tax, an estimate is made for the future exploitation of tax losses that can be carried forward and trimmed net financing expenses, which are based on the expected future earnings of the company and the expected lifetime of the assets. The estimate made is as far as possible based on observable market data and assessed on an ongoing basis with inflation development and current price indications, c.f. Note 17. Deferred tax.

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

Note 3 Segment information

The information, which must be provided even if there is only one segment, is given below, c.f. Note 1, Accounting Policies.

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

The company's entire revenue is generated in Denmark.

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

Note 4 Net revenue

Revenue from the sale of services is recognised as the services are provided, and if the revenue can be measured reliably and is expected to be received. Revenue is measured excl. VAT, taxes and discounts in connection with the sale.

Net revenue from the rail facilities comprises fees from Banedanmark for the use of the rail facilities. The rail fee is determined by the Minister of Transport.

Specification of net revenue	2023	2022
Net revenue, railway	11	10
Total net revenue	**11**	**10**

Note 5 Other external expenses

Other operating expenses comprise expenses relating to the technical, traffic-related and commercial operations of the link. This includes, for instance, expenses for the operation and maintenance of technical systems, insurance, rent of premises, external services, financial management and fees to the parent company of DKK 52 million (2022: DKK 35 million).

Fees to auditors appointed by Annual General Meeting:	Deloitte	Deloitte
DKK 1,000	**2023**	**2022**
Statutory audit	91	89
Other assurance statements	137	116
Tax advice	26	0
Other services	57	282
Audit fees, total	**311**	**487**
Recognised under property, plant and equipment	-155	-245
Audit fees in respect of the comprehensive income statement	**156**	**242**

Fees for other services in addition to statutory audits comprise statements on the company's financial management and the EMTN programme as well as digital reports of interim and annual reports.

Note 6 Staff expenses

The company has no employees.

The Management Board and Board of Directors do not receive separate fees for managerial duties at A/S Øresund. Management receives general fees in respect of the parent company, Sund & Bælt Holding A/S, to which A/S Øresund contributes through Group remuneration.

Note 7 Depreciation, amortisation and writedowns

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

	2023	**2022**
Depreciation		
Tangible fixed assets - road link	22	28
Tangible fixed assets - rail link	122	140
Tangible fixed assets - leasing	4	4
Total depreciation	**148**	**172**
Writedowns:		
Tangible fixed assets - rail link	4	1
Total writedowns	**4**	**1**
Total depreciation and writedowns	**152**	**173**
Profit/loss from sale of assets:		
Gains on the disposal of property, plant & equipment	0	-1
Profit/loss from sale of assets	**0**	**-1**

Note 8 Financial items

The company recognises changes in the fair value of financial assets and liabilities through the comprehensive income statement. The difference in fair value between the balance sheet dates comprises the total financial items distributed on value adjustments and net financing expenses.

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

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

	2023	2022
Financial income		
Interest income, securities, banks etc.	15	0
Interest income, financial instruments	20	67
Total financial income	**35**	**67**
Financial expenses		
Interest expenses, loans	-229	-172
Interest expenses, financial instruments	-115	-492
Other financial items, net	0	-4
Total financial expenses	**-344**	**-668**
Net financing expenses	**-309**	**-601**
Value adjustments, net		
- Securities	-4	-2
- Loans	-383	2,057
- Currency and interest rate swaps	181	352
Value adjustments, net	**-206**	**2,407**
Total financial items	**-515**	**1,806**
Of which financial instruments	86	-73

Commission to the Danish State of DKK 20 million (2022: DKK 17 million) is recognised in interest expenses.

Net financing expenses were DKK 292 million lower in 2023 compared to 2022. This is primarily because inflation decreased sharply in 2023. As part of the company’s debt is exposed to inflation indexation, this has more than offset the underlying rise in short market rates.

Note 9 Tax

	2023	2022
Current tax	-19	183
Change in deferred tax	60	-842
Adjustment current tax, previous years	110	1
Adjustment deferred tax, previous years	-110	0
Total tax	**41**	**-658**
Tax on the year's results is specified as follow s:		
Computed 22 per cent tax on annual results	52	-653
Other adjustments	-11	-5
Total	**41**	**-658**
Effective tax rate	17.5	22.1

Note 10 Road facilities

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

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

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

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

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

	Directly capitalised expenses	Value of own work	Financing expenses (net)	Projects in progress	Total 2023	Total 2022
Cost opening balance	1,505	14	165	70	1,754	1,697
Additions for the year	0	0	0	103	103	57
Public subsidies received	0	0	0	-74	-74	0
Disposals for the year	-1	0	0	0	-1	0
Transfers for the year	3	0	0	-3	0	0
Cost closing balance	**1,507**	**14**	**165**	**96**	**1,782**	**1,754**
Depreciation, amortisation and writedowns, opening balance	529	3	42	0	574	546
Depreciation, amortisation and writedowns for the year	20	0	2	0	22	28
Depreciation on assets disposed of	-1	0	0	0	-1	0
Depreciation, amortisation and writedowns, closing balance	**548**	**3**	**44**	**0**	**595**	**574**
Net book value	**959**	**11**	**121**	**96**	**1,187**	**1,180**

Road facilities in progress primarily include work related to the Infrastructure Plan 2035 as well as the replacement of lighting in the Tårnby tunnel. Received public subsidies also relate to projects under the Infrastructure plan 2035, as detailed in the management report.

Note 11 Rail facilities

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

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

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

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

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

	Directly capitalised expenses	Value of own work	Financing expenses (net)	Projects in progress	Total 2023	Total 2022
Cost opening balance	4,987	0	487	28	5,502	5,548
Additions for the year	0	0	0	95	95	60
Public subsidies received	0	0	0	-79	-79	-96
Disposals for the year	-12	0	0	0	-12	-10
Transfers for the year	18	0	0	-18	0	0
Cost closing balance	**4,993**	**0**	**487**	**26**	**5,506**	**5,502**
Depreciation, amortisation and writedowns, opening balance	2,073	0	206	0	2,279	2,149
Depreciation, amortisation and writedowns for the year	115	0	11	0	126	140
Depreciation on assets disposed of	-12	0	0	0	-12	-10
Depreciation, amortisation and writedowns, closing balance	**2,176**	**0**	**217**	**0**	**2,393**	**2,279**
Net book value	**2,817**	**0**	**270**	**26**	**3,113**	**3,223**

The year's additions to facilities under construction primarily include the construction of the railway facilities under Infrastructure Plan 2035.

A/S Øresund receives public subsidies to cover costs. The subsidies are offset in projects in progress. In 2023, approx. DKK 22 million was offset in respect of EU subsidies and approx. DKK 58 million in other public funding under the Infrastructure Plan 2035.

Note 12 Leases

	2023	2022
Cost opening balance	9	9
Additions for the year	1	0
Cost closing balance	**10**	**9**
Depreciation, amortisation and writedowns, opening balance	5	1
Depreciation, amortisation and writedowns for the year	4	4
Depreciation, amortisation and writedowns, closing balance	**9**	**5**
Net book value	**1**	**4**

Lease liabilities

Maturity of lease liabilities

	2023	2022
Under 1 year	0	4
Between 1 to 4 years	1	0
Total undiscounted lease liabilities, closing balance	**1**	**4**
Lease liabilities included in balance sheet		
Included in current liabilities	0	4
Included in non-current liabilities	1	0
Total	**1**	**4**

Note 13 Participating interest in jointly managed company

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

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

Øresundsbro Konsortiet I/S is based in both Copenhagen and Malmø and A/S Øresund's ownership interest is 50 per cent.

	2023	2022
Value of participating interest, opening	3,604	2,128
Share of profit for the year	627	1,476
Participating interest, closing	**4,231**	**3,604**
Carried forward to provisions, opening	0	0
Carried forward to provisions, closing	**0**	**0**
Value of participating interest, closing	**4,231**	**3,604**

Key figures from jointly managed company		
Operating income	2,303	2,095
Operating expenses	-284	-271
Depreciation	-296	-281
Financial items	-242	-460
Value adjustment	-228	1,869
Profit for the year and comprehensive income	1,253	2,952
Current assets	1,915	1,824
- Of which cash and cash equivalents	424	269
Non-current assets	15,578	16,048
Equity	8,460	7,206
Current liabilities	1,363	3,797
- Of which current financial liabilities	1,057	3,498
Non-current liabilitites	7,670	6,868
- Of which non-current financial liabilities	7,670	6,868
Contingent liabilities	136	98

Note 14 Receivables

Accounts receivable from sales and services include customer receivables. Provision is made for losses where it is assessed that an individual receivable or a portfolio of receivables has been impaired. Historically, there have been no losses on debtors. As no losses are expected, no provision for losses has been made.

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

	2023	2022
Members	97	0
Receivables, EU subsidy	15	7
Receivables from other public grants	149	83
Other receivables	18	5
Total receivables	**279**	**95**

Note 15 Prepayments and accrued income

Prepayments and accrued income comprise accrued interest and financial instruments.

	2023	2022
Accrued interest, financial instruments	536	469
Total prepayments and accrued income	**536**	**469**

Note 16 Equity

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

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

The share capital has remained unchanged since 1992.

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

On the basis of the estimated operating results for the company and for Øresundsbro Konsortiet I/S, equity is expected to be restored within a time frame of 12 years, calculated from the end of 2023.

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

Note 17 Deferred tax

Due to the accounting capitalisation of financing expenses during the construction period, the net book value of the road and rail links is higher than the tax value.

Deferred tax is settled as the underlying assets and liabilities are realised, including when the companies in the joint taxation under Sund & Bælt Holding A/S realise positive taxable incomes.

	2023	2022
Balance, opening	-953	-111
Deferred tax for the year	60	-842
Adjustment deferred tax, previous years	-110	0
Balance, closing	**-1,003**	**-953**
Deferred tax relates to:		
Intang. fixed assets & tangible fixed assets	-158	-162
Tangible fixed assets, Øresundsbro Konsortiet I/S	-481	-429
Unrealized rate adjustments	-364	-454
Accounting provisions	0	-4
Tax loss	0	96
Total	**-1,003**	**-953**

Difference during the year:	**Opening 2022**	**Adjstmts. for the year 2022**	**Closing 2022**	**Adjstmts. for the year 2023**	**Closing 2023**
Intang. fixed assets & tangible fixed assets	-155	-7	-162	4	-158
Tangible fixed assets, Øresundsbro Konsortiet I/S	-367	-62	-429	-52	-481
Unrealized rate adjustments	0	-454	-454	90	-364
Accounting provisions	0	-4	-4	4	0
Trimmed net financing expenses	216	-216	0	0	0
Tax loss	195	-99	96	-96	0
Total	**-111**	**-842**	**-953**	**-50**	**-1,003**

Note 18 Net debt

Fair value hierarchy	Level 1	Level 2	Level 3	Total 2023	Level 1	Level 2	Level 3	Total 2022
Securities	1,143	0	0	1,143	1,116	0	0	1,116
Derivatives, assets	0	352	0	352	0	522	0	522
Financial assets	**1,143**	**352**	**0**	**1,495**	**1,116**	**522**	**0**	**1,638**
Onlending from the Danish State	0	-12,740	0	-12,740	0	-11,650	0	-11,650
Bond debt	0	-205	0	-205	0	-208	0	-208
Derivatives, liabilities	0	-1,315	0	-1,315	0	-1,566	0	-1,566
Financial liabilities	**0**	**-14,260**	**0**	**-14,260**	**0**	**-13,424**	**0**	**-13,424**

Net debt spread across currencies	EUR	DKK	Other cur-rencies	Total 2023	EUR	DKK	Other cur-rencies	Total 2022
Cash at bank and in hand	19	151	0	170	0	0	0	0
Credit institutions	0	0	0	0	13	-16	0	-3
Securities	1,143	0	0	1,143	1,116	0	0	1,116
Onlending from the Danish State	0	-12,740	0	-12,740	0	-11,650	0	-11,650
Bond debt	-205	0	0	-205	-208	0	0	-208
Currency and interest rate swaps	-1,622	659	0	-963	-1,587	543	0	-1,044
Currency forwards	1,085	-1,085	0	0	0	0	0	0
Accrued interest	-44	475	0	431	-86	428	0	342
Total net debt (fair value)	**376**	**-12,540**	**0**	**-12,164**	**-752**	**-10,695**	**0**	**-11,447**

	Deriva-tives assets	Deriva-tives liabilities	Total 2023	Deriva-tives assets	Deriva-tives liabilities	Total 2022
Interest rate swaps	310	-1,315	-1,005	424	-1,566	-1,142
Currency swaps	42	0	42	98	0	98
Gross value derivatives	**352**	**-1,315**	**-963**	**522**	**-1,566**	**-1,044**
Accrued interest, financial instruments	524	-54	470	469	-90	379
Offsetting cf. IAS32	0	0	0	0	0	0
Gross value	**876**	**-1,369**	**-493**	**991**	**-1,656**	**-665**
Offsetting options by default [1])	-627	627	0	-158	158	0
Collateral	-249	723	474	-368	966	598
Net value, total	**0**	**-19**	**-19**	**465**	**-532**	**-67**

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

Accrued interest	Assets	Liabili-ties	Total 2023	Assets	Liabili-ties	Total 2022
Investment	12	-11	1	0	0	0
Payables	0	-40	-40	0	-37	-37
Interest rate swaps	518	-54	464	458	-90	368
Currency swaps	6	0	6	11	0	11
Total	**536**	**-105**	**431**	**469**	**-127**	**342**

Net debt is DKK 12,351 million (2022: 11,710 million) stated at nominal notional amounts, resulting in an accumulated difference of DKK 186 million (2022: 264 million) in relation to the net debt stated at fair value, where the fair value reflects the value on the balance sheet date, while the nominal value represents the contractual liability at maturity.

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

Interest-bearing net debt	2023	2022
Repayment period - number of years	48	48
Interest-bearing net debt - DKK billion	12.9	12.3
Repayment of debt	2045	2046
Financing expenses excl. value adjustment - per cent per annum	2.30	4.96
Financing expenses incl. value adjustment - per cent per annum	3.95	-15.47

Reconciliation of differences in financial liabilities	Payables	Derivatives	Total
Opening 2023	-11,858	-1,044	-12,902
Cash flow	-494	82	-412
Paid interest - reversed	-281	-126	-407
Amortisation	71	-50	21
Inflation indexation	0	-2	-2
Currency adjustment	0	-4	-4
Fair value adjustment	-383	181	-202
Closing 2023	**-12,945**	**-963**	**-13,908**

Reconciliation of cash flow	2023
Cash flow	-412
Debt reduction with credit institutions	3
Repayment of lease liabilities	4
Public subsidies received	-107
Guarantee commission	20
Other financial items, net	-4
Cash flow from financing activities	**-496**

Reconciliation of differences in financial liabilities	Payables	Derivatives	Total
Opening 2022	-13,297	-993	-14,290
Cash flow	-468	42	-426
Paid interest - reversed	-271	-96	-367
Amortisation	117	-65	52
Inflation indexation	0	-280	-280
Currency adjustment	0	0	0
Fair value adjustment	2,061	348	2,409
Closing 2022	**-11,858**	**-1,044**	**-12,902**

Reconciliation of cash flow	2022
Cash flow	-426
Loans from credit institutions	3
Repayment of lease liabilities	4
Guarantee commission	17
Other financial items, net	2
Cash flow from financing activities	**-400**

Note 19 Financial risk management

Financing
A/S Øresund's financial management is conducted within the framework determined by the company's Board of Directors and guidelines from the Danish Ministry of Finance and Denmark's National Bank.

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

The overall objective is to balance the lowest possible financing expenses with the lowest possible risk. A long-term perspective has been applied in the balancing of economic performance and the risks associated with financial management.

The following describes A/S Øresund's funding in 2023 as well as the key financial risks.

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

However, borrowing must adhere to certain criteria in part because of the demands from the guarantor and in part because of internal guidelines set out in the company's financial policy. In general, the company's loan transactions should consist of common and standardised loan structures.

The company has established a standardised MTN (Medium Term Note) loan programme in the European bond market with a total borrowing limit of USD 1 billion of which USD 41 million has been utilised.

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

In 2023, funding requirements were solely covered by on-lending from the state, which was a particularly attractive source of funding.

The company raised on-lending for DKK 2.5 billion in 2023. The extent of A/S Øresund's borrowing in an individual year is largely determined by the repayments due on loans contracted earlier (refinancing) as well as the liquidity impact from operations.

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

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

Risks relating to these financial risk exposures primarily comprise:

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

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

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

A/S Øresund's currency exposure at fair value in 2023 and 2022 (DKK million)

Currency	Fair value 2023	Currency	Fair value 2022
DKK	-12,539	DKK	-10,696
EUR	374	EUR	-751
Other currency	0	Other currency	0
Total 2023	**-12,165**	**Total 2022**	**-11,447**

Foreign exchange sensitivity for the company amounted to DKK 3 million in 2023 (DKK 3 million in 2022) calculated as Value-at-Risk.

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

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

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

For A/S Øresund, the following framework for 2023 was applied in the interest rate risk management:

- Interest rate refixing risk may not exceed 30 per cent of the net debt
- Duration target on net debt is 8.0 years (variation limit: 7.0-9.0 years)
- Limits for interest rate exposure with fluctuation bands.

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

Besides representing an isolated balancing of financing expenses and interest refixing risk on the net debt, the company's risk profile is also affected by linkages to the operations. This means that a balancing of risk is targeted across assets and liabilities with the aim of achieving a lower risk by combining the debt mix so that there is a positive correlation between operating revenue and financing expenses to the extent that this is possible.

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

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

For A/S Øresund, the actual duration was between 5.7 years to 7.3 years.

The company is exposed to interest rates in DKK and EUR, and here interest rates on the long-term maturities fell by around 0.1-0.5 percentage points overall over the year. Interest rate developments in 2023 produced an unrealised fair value loss of DKK 206 million from fair value adjustments.

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

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

Yield exposure stated in nominal notional amounts, 2023 (DKK million)

Yield buckets	**0-1 years**	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**> 5 years**	**Nominal value**	**Fair value**
Securities	1,155	0	0	0	0	0	1,155	1,143
Bond loans and debt	-3,036	-2,100	0	-1,460	0	-6,500	-13,096	-12,985
Interest rate and currency swaps	-1,730	1,359	0	1,460	0	-1,673	-584	-493
Currency forwards	3	0	0	0	0	0	3	0
Other derivatives	0	0	0	0	0	0	0	0
Cash at bank and in hand	170	0	0	0	0	0	170	170
Net debt	**-3,437**	**-741**	**0**	**0**	**0**	**-8,173**	**-12,351**	**-12,165**
Of this, inflation-adjusted instruments								
Inflation swaps	0	0	0	0	0	-3,531	-3,531	-3,690
Of this, inflation-adjusted instruments total	**0**	**0**	**0**	**0**	**0**	**-3,531**	**-3,531**	**-3,690**

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	-3,096	-3,014	-1,691	-373
Of this, inflation-adjusted instruments	-2,144	-795	-592	0

Yield exposure stated in nominal notional amounts, 2022 (DKK million)

Yield buckets	0-1 years	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Nominal value	Fair value
Securities	0	0	0	0	0	0	0	0
Bond loans and debt	-1,923	-2,562	-800	0	-1,460	-5,500	-12,245	-11,896
Interest rate and currency swaps	-1,475	743	1,358	0	1,460	-2,663	-577	-665
Currency forwards	0	0	0	0	0	0	0	0
Other derivatives	0	0	0	0	0	0	0	0
Cash at bank and in hand	480	632	0	0	0	0	1,112	1,113
Net debt	**-2,918**	**-1,187**	**558**	**0**	**0**	**-8,163**	**-11,710**	**-11,448**
Of this, inflation-adjusted instruments								
Inflation-adjusted debt	0	0	0	0	0	0	0	0
Inflation swaps	0	-1,413	0	0	0	-3,526	-4,939	-5,078
Of this, inflation-adjusted instruments total	**0**	**-1,413**	**0**	**0**	**0**	**-3,526**	**-4,939**	**-5,078**

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	-3,093	-3,008	-1,690	-372
Of this, inflation-adjusted instruments	-2,141	-794	-592	0

Interest rate allocation

2023	Interest rate allocation in per cent	2022
27.8	Floating rate	24.9
43.6	Fixed rate	32.9
28.6	Real rate	42.2
100.0	**Total**	**100.0**

As regards inflation-indexed debt, this is exposed to the Danish Consumer Price Index (CPI).

The financing expenses' sensitivity to an interest rate or inflation rate change of 1 percentage point can be stated at DKK 25 million and DKK 50 million respectively and the impact is symmetrical for a rise and fall, respectively.

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

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

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

Duration

2023 Duration (years)	BPV	Fair value		2022 Duration (years)	BPV	Fair value
5.7	4.9	-8,475	Nominal debt	7.1	4.6	-6,369
9.0	3.3	-3,690	Inflation-adjusted debt	7.3	3.7	-5,078
6.7	8.2	-12,165	Net debt	7.2	8.3	-11,447

The fair value adjustment's sensitivity to an interest rate change of 1 percentage point can be measured at a fair value loss of DKK 868 million (2022: DKK 909 million) with an interest rate fall and a fair value gain of DKK 768 million (2022: 800 million) with an interest rate rise.

The sensitivity calculations are based on the net debt at the balance sheet date. The impact is similar in the financial result and balance sheet due to accounting policies where financial assets and liabilities are recognised at fair value.

Credit risks

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

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

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

The credit risk from financial counterparties is controlled and monitored on a daily basis through a specific line and limit system which has been approved by the Board of Directors in the company's financial policy and defines the principles for calculating such risks and limits for acceptable credit exposures. The allocation of limits for acceptable credit exposures is determined on the basis of the 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. Financial counterparties must adhere to high standards for credit quality and agreements are only entered into with counterparties that have a long-term rating above A3/A-. The rating requirement can be eased to BBB/Baa2, provided that the counterparty is resident in a country with an AA/Aa2 rating and that a number of strict collateral requirements are met.

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

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

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

The company is not covered by EMIR's central clearing obligation for derivative transactions.

The IFRS accounting standard stipulates that the credit risk is calculated gross excluding netting (the offsetting of positive and negative balances for each counterparty). Net exposure is given as additional information.

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

Credit risks on financial assets recognised at fair value distributed on credit quality, 2023

Total counterparty exposure (market value)

Rating	Deposits	Derivatives without netting	Derivatives with netting	Collateral	Number of counterparties
AAA	1,143	0	0	0	1
AA	0	3	0	0	3
A	0	439	352	380	5
BBB	0	0	0	0	0
Total	**1,143**	**442**	**352**	**380**	**9**

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

Total counterparty exposure (market value)

Rating	Deposits	Derivatives without netting	Derivatives with netting	Collateral	Number of counterparties
AAA	1,093	0	0	0	1
AA	0	0	0	0	3
A	0	573	423	368	6
BBB	0	0	0	0	0
Total	**1,093**	**573**	**423**	**368**	**10**

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

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

Counterparty exposure to counterparties with collateral agreements totals DKK 352 million and collateral amounts to DKK 380 million. There is no counterparty exposure without collateral agreements.

A/S Øresund has pledged collateral for DKK 723 million to hedge outstanding exposure from derivative transactions in favour of six counterparties.

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

Liquidity risk

Liquidity risk is the risk of losses arising if the company has difficulties meeting its financial liabilities, in terms of debt, derivatives and ordinary operations.

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

Maturity on debt as well as liabilities and receivables on financial derivatives, 2023

Maturity	0-1 years	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Principal amount							
Debt	-2,812	-2,100	0	-1,460	0	-6,724	-13,096
Derivatives liabilities	-2,531	0	0	0	0	-580	-3,111
Derivatives receivables	2,530	0	0	0	0	0	2,530
Assets	1,155	0	0	0	0	0	1,155
Total	**-1,658**	**-2,100**	**0**	**-1,460**	**0**	**-7,304**	**-12,522**
Interest payments							
Debt	-295	-148	-111	-111	-104	-933	-1,702
Derivatives liabilities	-197	-95	-88	-94	-72	-264	-810
Derivatives receivables	131	27	19	20	21	613	831
Assets	13	0	0	0	0	0	13
Total	**-348**	**-216**	**-180**	**-185**	**-155**	**-584**	**-1,668**

Maturity on debt as well as liabilities and receivables on financial derivatives, 2022

Maturity	0-1 years	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Principal amount							
Debt	-1,700	-2,562	-800	0	-1,460	-5,723	-12,245
Derivatives liabilities	0	-1,413	0	0	0	-577	-1,990
Derivatives receivables	0	1,412	0	0	0	0	1,412
Assets	483	632	0	0	0	0	1,115
Total	**-1,217**	**-1,931**	**-800**	**0**	**-1,460**	**-6,300**	**-11,708**
Interest payments							
Debt	-275	-250	-105	-90	-90	-911	-1,721
Derivatives liabilities	-298	-212	-112	-95	-101	-396	-1,214
Derivatives receivables	106	130	38	33	33	666	1,006
Assets	0	0	0	0	0	0	0
Total	**-467**	**-332**	**-179**	**-152**	**-158**	**-641**	**-1,929**

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

Note 20 Profitability

The investment in the Øresund fixed link's landworks will be repaid in part through payment from Banedanmark for use of the Øresund railway line and in part through dividend payments from Øresundsbro Konsortiet I/S which is 50 per cent owned by A/S Øresund. In the long-term profitability calculation, the repayment date is calculated on the basis of the Ministry of Finance's long-term interest rate estimate (10-year government bond) from August 2023 on the part of the debt that is not hedged while the remaining debt includes actual interest rate terms.

As a consequence of the 2016 Finance Act, the railway payment is gradually scaled down until 2024 and will be reduced by a total of DKK 200 million (2016 prices) when fully phased in. This also includes the fact that A/S Øresund is required to cover some of the railway payment for Øresundsbro Konsortiet I/S, which was previously financed through the Finance Act.

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

The repayment period for A/S Øresund is calculated at 47 years, which is an improvement of one year compared to last year's financial statements. This means that the debt will be repaid in 2045. The improvement is primarily ascribed to an upward adjustment of the long-term traffic revenue on the Øresund link.

The calculation of the repayment period is based on the dividend policy adopted in 2018. This, however, has been suspended since the first distribution in 2018 as a result of the State aid matter as regards Øresundsbro Konsortiet I/S. Dividend distribution is expected to resume in 2024.

A/S Øresund is sensitive to changes in Øresundsbro Konsortiet I/S' economy as it is the traffic revenue from the Øresund Bridge that contributes to the debt repayment and indirectly in A/S Storebælt via joint taxation.

Note 21 Trade and other payables

	2023	2022
Trade payables	60	21
Debt group enterprises - group companies	18	4
Debt, Øresundsbro Konsortiet I/S	8	4
Guarantee commission payable	19	17
Other payables	15	10
Total	**120**	**56**

Note 22 Accruals and deferred income

	2023	2022
Accrued interest, financial instruments	105	127
Other accruals	70	2
Accruals and deferred income, total	**175**	**129**

The remaining accruals primarily consist of prepaid EU subsidies (DKK 68 million)

Note 23 Contractual obligations, contingent liabilities and securities

A/S Øresund's contractual obligations comprise operation and maintenance contracts entered into with expiry dates up to 2025 at an overall balance of DKK 21 million (DKK 55 million in 2022). At year end, completed work under contracts amounted to DKK 63 million (DKK 61 million in 2022).

In 2013, the former HH Ferries *et al* lodged a complaint with the EU Commission claiming that the Danish/Swedish State guarantees for Øresundsbro Konsortiet I/S' loans etc. are illegal under the EU's State aid rules. In October 2014, the EU Commission ruled that the guarantees are covered by the State aid rules, and that they are in compliance with these rules. HH Ferries *et al* brought this before the European Court of Justice, which reached a decision on 19 September 2018. This resulted in an annulment of the EU Commission's decision from 2014. The judgement does not state whether or not the State aid was illegal only that the Commission had committed several procedural errors. The EU Commission then launched a formal investigation procedure. The EU Commission concluded its investigations with a new decision on 13 February 2024. The decision concludes that, to a certain extent, A/S Øresund received tax benefits that are not proportional according to the EU's State aid rules and therefore must be repaid. The remaining claims regarding illegal State aid in the form of guarantees etc. were not upheld. An appeal can still be made against the decision and at the time of financial reporting, it is not possible to reliably calculate the amount to be repaid. As the repayment solely pertains to the non-proportional tax benefits, A/S Øresund's view is that the repayment will not impact the company's financial position to any significant extent.

A/S Øresund has entered into two-way collateral agreements (CSA agreements) with a number of financial counterparties and is required to pledge collateral in the form of government bonds for outstanding exposure from derivative contracts in the counterparties' favour. A/S Øresund has currently pledged collateral for DKK 723 million to hedge outstanding exposure from derivative transactions in favour of six counterparties.

A/S Øresund is part of a Danish joint taxation agreement with Sund & Bælt Holding A/S as the administering company. A/S Øresund is jointly and severally liable with the other jointly taxed companies for corporation tax of DKK 445 million and for any liabilities to withhold tax on interest, royalties and dividends for the jointly taxed companies.

Otherwise, A/S Øresund has no other obligations.

Note 24 Related parties

Related parties comprise the Danish State, companies and institutions owned by it within the purview of the Ministry of Transport.

Related party	Registered office	Affiliation	Transactions	Pricing
The Danish State	Copenhagen	100 per cent ow nership via Sund & Bælt Holding A/S	Onlending	Based on a specific government bond and under the same terms as bonds sold in the market.
			Commission for on-lending and guarantee for the company's debt	Determined by legis-lation. Accounts for 0.15 per cent of nominal debt.
Sund & Bælt Holding A/S	Copenhagen	100 per cent ow nership of A/S Øresund	Management of operational tasks Joint taxation contribution	Market price
A/S Storebælt	Copenhagen	Subsidiary of Sund & Bælt Holding A/S	Maintenance tasks	Market price
Sund & Bælt Partner A/S	Copenhagen	Subsidiary of Sund & Bælt Holding A/S	-	-
A/S Femern Landanlæg	Copenhagen	Subsidiary of Sund & Bælt Holding A/S	Reinvoicing	Market price
Femern A/S	Copenhagen	Subsidiary of A/S Femern Landanlæg	Reinvoicing	Market price
Brobizz A/S	Copenhagen	Subsidiary of Sund & Bælt Holding A/S	-	-
BroBizz Operatør A/S	Copenhagen	Subsidiary of Brobizz A/S	-	-
Øresundsbro Konsortiet I/S	Copenhagen/ Malmø	50 per cent ow nership of parthership via A/S Øresund	Purchase of services The Ministry of Transport's instructions of 17 Dec 2021	Market price
Banedanmark	Copenhagen	Ow ned by the the Ministry of Transport	Payment for use of rail link Maintenance tasks	Determined by the Minister of Transport
Danish Road Directorate	Copenhagen	Ow ned by the the Ministry of Transport	Maintenance tasks	Market price

DKK 1,000 Related party	Description	Trans-actions 2023	Trans-actions 2022	Balance at december 2023	Balance at December 2022
The Danish State	On-lending (net cash flow)	499,611	468,488	-12,739,663	-11,650,014
	Guarantee commission	-20,313	-16,524	-19,000	-17,178
Ministry of Transport	Consultancy	-625	0	-350	0
	Recognised subsidies for facilities	58,019	82,643	148,678	82,643
Sund & Bælt Holding A/S	Management of subsi-diary's operational tasks	-86,074	-69,735	-18,569	-2,385
	Joint taxation contribution	-5,382	182,988	274,102	182,988
A/S Storebælt	Maintenance tasks	-278	-243	0	0
Femern A/S	Reinvoicing	0	-1,012	0	0
Øresundsbro Konsortiet I/S	Management of operational tasks	2,923	0	0	0
	Compensation for lost rail fee	-96,083	-49,627	-8,007	-4,136
	Purchase of operational tasks	-240	-273	-50	-25
Banedanmark	Payment for use of rail link	10,500	10,100	0	0
	Maintenance tasks	-6,020	-1,207	-973	-89
Danish Road Directorate	Maintenance tasks	-2,071	-1,876	-2,416	-1,536

Note 25 Events after the balance sheet date

In February 2024, the EU Commission reached a new decision in the State aid matter relating to Øresundsbro Konsortiet I/S. The decision concludes that, to a certain extent, A/S Øresund received tax benefits that are not proportional according to the EU's State aid rules and therefore must be repaid. The remaining claims regarding illegal State aid in the form of guarantees etc. were not upheld. An appeal can still be made against the decision and at the time of financial reporting, it is not possible to reliably calculate the amount to be repaid. As the repayment solely pertains to the non-proportional tax benefits, A/S Øresund's view is that the repayment will not impact the company or the group's financial position to any significant extent.

Statements

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 2023 for A/S Øresund.

The annual report has been prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

It is our view that the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31 December 2023, as well as the results of the company's activities and cash flow for the financial year 1 January - 31 December 2023.

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

It is our view that the Annual Report for A/S Øresund for the financial year 1 January - 31 December 2023 with file name Øresund_2023.zip has been prepared in accordance with the ESEF regulation.

The Annual Report is recommended for approval at the Annual General Meeting.

Copenhagen, 2 April 2024

Management Board

Signe Thustrup Kreiner
CEO

Board of Directors

Mikkel Hemmingsen
Chair

Louise Friis
Vice-Chair

Signe Thustrup Kreiner

Independent auditor's report

To the shareholder of A/S Øresundsforbindelsen

Our opinion
We have audited the financial statements for A/S Øresundsforbindelsen for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, the comprehensive income statement, the balance sheet, statement of changes in equity, cash flow and notes, including the accounting policies.

The financial statements have been prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31.12.2023 and the results of the company's operations and cash flows for the financial year 01.01.2023 - 31.12.2023 in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

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

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

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

We were first appointed auditor for A/S Øresundsforbindelsen on 17.04.2020 for the financial year 2020. We are reappointed annually by resolution of the Annual General Meeting for a total continuous term of 4 years up to and including the financial year 2023.

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 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of derivative financial instruments (derivatives)	***How our audit addressed the key audit matter***
Derivative financial instruments are classified as assets and liabilities and amount to DKK 352 million as at 31.12.2023 (DKK 522 million as at 31.12.2022) and DKK 1,315 million as at 31.12.2023 (DKK 1,566 million as at 31.12.2022). We have assessed that the valuation of derivative financial instruments is a key factor in the audit because there are no official quotations for derivatives. This is why management uses estimates for their valuation, including:	Based on our risk assessment, we reviewed the valuation prepared by the management and assessed the methods and assumptions used. Our review included the following elements: • Testing of controls with regard to obtaining master and market data that lie at the basis of the valuation. • Testing of controls for comparison of the applied fair values with information from the counterparty.

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

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

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

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

Moreover, we considered whether the Management Report includes the disclosures required by relevant legislation.

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 relevant legislation. We did not identify any material misstatement in the Management Report.

Management responsibility for the financial statements
Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with IFRS Accounting 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.
- Obtain sufficient and appropriate audit evidence for the financial information of the companies or business activities of the company for the purpose of expressing an opinion on the annual financial statements. We are responsible for directing, supervising, and performing the group audit. We are solely responsible for our audit conclusion.

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 or actions taken to eliminate threats.

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

Declaration of compliance with the ESEF Regulation

As part of the audit of the financial statements for A/S Øresundsforbindelsen, we have performed actions with a view to expressing an opinion as to whether the annual report for the financial year 1 January - 31 December 2023, with file name Øresund_2023.zip. has been prepared in accordance with the EU Commission's Delegated Regulation 2019/815 on common electronic reporting (ESEF Regulation) which contains requirements for the preparation of annual reports in XHTML format.

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

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

It is our opinion that the annual report for the financial year 1 January - 31 December 2023, with file name Ør-esund_2023.zip has, in all material respects, been prepared in accordance with the ESEF regulation.

Copenhagen, 2 April 2024

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR no. 33 96 35 56

Anders Oldau Gjelstrup	**Anders Houmann**
State-Authorised Public Accountant	State-Authorised Public Accountant
MNE no. mme10777	MNE no. mme46265