

A large suspension bridge with two tall towers and multiple stay cables, spanning across a body of water. The bridge is reflected in the calm water below. The sky is clear and light blue.

A/S Storebæltsforbindelsen

Interim report

Q3 2020

Contents

Summary of Q3 2020	2
Sund & Bælt Group and its companies	3
Information as to shareholders	3
Group overview	3
Main activity	3
Key figures and financial ratios for A/S Storebælt	4
Management report	5
Development in activities and financial situation	5
Outlook for the year	7
Events after the balance sheet date	7
Statement by the Board of Directors and Management Board	8
Financial statements	9
Notes	14

Summary of Q3 2020

The Board of Directors has today approved the interim report for Q3 2020 (1 January-30 September 2020) for A/S Storebælt. The auditors elected by the Annual General Meeting have not conducted a review of the interim report.

Financial headlines

- Revenue totals DKK 2,206 million and declined by DKK 268 million, i.e. 11 per cent, compared to the same period last year. The decline in revenue can be attributed to the closure of workplaces in mid-March owing to the outbreak of Covid-19. The impact of this is calculated to be approximately DKK 270 million.
- Other external expenses total DKK 251 million and are DKK 10 million lower compared to the same period last year.
- EBIT fell by 15 per cent and totals DKK 1,550 million.
- Net financing expenses increased by DKK 13 million compared to the same period in 2019 and total DKK 160 million.
- Value adjustments represent gains of DKK 166 million. For the same period in 2019, value adjustments represented an expense of DKK 455 million. Fair value adjustments are an accounting item with no effect on the company's debt repayment as the debt is repaid at nominal value.
- The interest-bearing net debt totalled DKK 19.0 billion on 30 September 2020.
- Additions for the period for the road and rail link in progress total DKK 53 million. The additions primarily relate to work designed to increase safety and prevent long traffic queues on the Storebælt Bridge when installing mobile crash barriers and a comprehensive upgrade of signage and traffic monitoring. They also relate to the upgrading of the electricity supply with new protection relays and contacts in the Storebælt tunnel.
- Additions on property, plant and equipment total DKK 55 million and can primarily be attributed to the new toll station. The old toll station was replaced in order to make it faster and easier to cross the Storebælt Bridge. The replacement enables all PayByPlate customers to use the green Express lanes, which were previously reserved for customers having a BroBizz.
- Cash flow from operating and investing activities (free cash flow) has resulted in a net increase in liquidity of DKK 1,712 million. Cash flow from financing activities has resulted in a net decline in liquidity of DKK 1,477 million whereby cash at bank and in hand for the period increased by DKK 234 million.

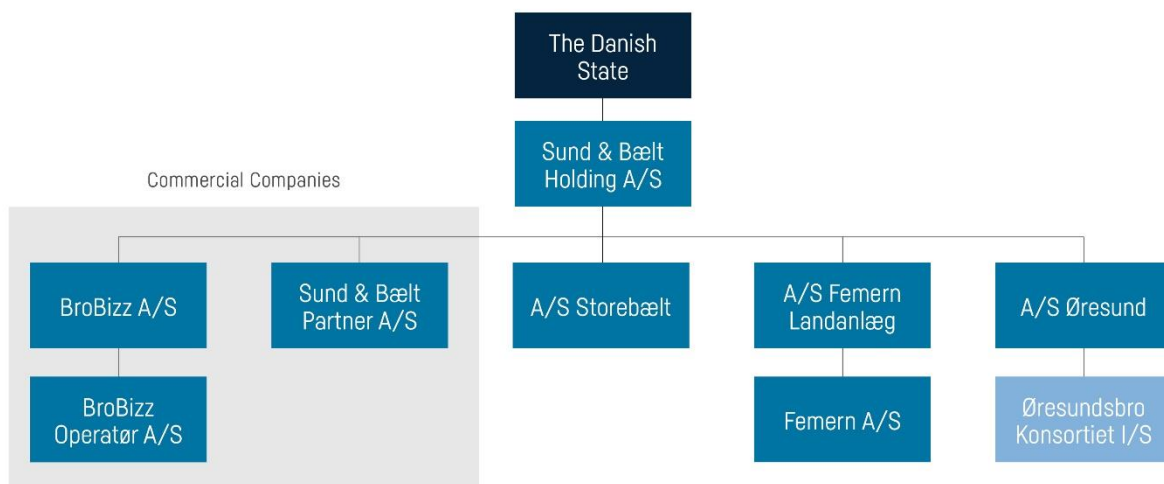
Sund & Bælt Group and its companies

Information as to shareholders

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

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

Group overview



Share

■ 100% ■ 50%

Main activity

A/S Storebælt's primary task is to own and operate the fixed link across Storebælt. This responsibility has been assumed having regard to maintaining high levels of accessibility and safety on the link. In addition, repayment of the loans raised to finance the facilities shall take place within a reasonable time frame.

Key figures and financial ratios for A/S Storebælt

(DKK million)	2020 Q3	2019 Q3	2020 Q1 - Q3	2019 Q1 - Q3	2019 Full year
Net revenue, road	789	812	1,966	2,236	2,916
Net revenue, railway	74	75	218	215	292
Other external expenses	-89	-89	-251	-261	-364
Depreciation, amortisation and write-downs	-133	-132	-405	-396	-530
Operating profit (EBIT)	649	673	1,550	1,817	2,347
Financial items excl. value adjustment	-90	-47	-160	-147	-165
Profit before val. adjustments	560	626	1,390	1,669	2,182
Value adjustments, net	-26	-136	166	-455	-262
Profit for the period	416	382	1,214	947	1,498

Capital investment for the year, road and railway	53	97	118
Capital investment, road and railway, end of period	25,029	25,447	25,360
Net debt (fair value)	20,509	21,449	20,618
Interest-bearing net debt	19,034	19,942	18,946
Equity	3,621	3,456	4,007
Balance sheet total	28,249	28,836	28,263
Cash flow from operating activities	1,772	2,147	3,101
Cash flow from investing activities	-61	-97	-138
Cash flow from financing activities	-1,477	-2,315	-3,228
Total cash flow	234	-265	-265

Financial ratios, per cent

Profit ratio (EBIT)	70.2	73.4	72.5
Rate of return (EBIT)	7.3	8.4	8.3
Return on facilities (EBIT)	8.3	9.4	9.3

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

Management report

Development in activities and financial situation

The company's total revenue fell by DKK 268 million in the period under review from DKK 2,474 million in 2019 to DKK 2,206 million in 2020.

Revenue from the road link totals DKK 1,966 million, which is a fall compared to the previous year of DKK 270 million. Following a significant decline in traffic, particularly for passenger cars and coaches from March to June, summer holiday traffic in July reached its highest level in the history of the Storebælt Bridge. Following this there was another decline in traffic concurrent with the partial shutdowns. The loss in passenger car traffic amounted to between 5-15 per cent on a weekly basis. For the first three quarters of the year, traffic losses amounted to 15.9 per cent apportioned into 17.6 per cent for passenger cars, 0.9 per cent for lorries and 57.8 per cent for coaches.

Revenue from the railway and port facilities is largely unchanged for the period and totals DKK 240 million.

The company's expenses, including depreciation, are on a par with the same period last year. Other external expenses fell by DKK 10 million while depreciation increased by DKK 9 million as a result of the writedown of an asset taken out of service.

The impact of value adjustments on financial results

	Income statement		Pro forma income statement	Pro forma income statement
	2020 Q1 - Q3	Fair value adjustments	2020 Q1 - Q3	2019 Q1 - Q3
Operating profit (EBIT)	1,550		1,550	1,817
Financial items	6	-166	-160	-147
Profit before fair val. adjstmts. and tax	1,556		1,390	1,669
Fair value adjustment		166	166	-455
Profit before tax	1,556		1,556	1,214
Tax	-342		-342	-267
Profit for the period	1,214		1,214	947

The result before value adjustments and tax is a profit of DKK 1,390 million against a profit last year of DKK 1,669 million.

The company's net financing expenses total DKK 160 million and are DKK 13 million higher than the same period last year. Financing expenses excluding value adjustments, total 0.96 per cent per annum against 0.84 per cent per annum for the same period last year. The difference is primarily attributable a slightly higher effective interest rate on the fixed rate interest rate hedging. Including value adjustments, financing expenses amount to 0.09 per cent per annum against 3.13 per cent per annum for the corresponding period in 2019.

The value adjustment of the company's debt amounts to gains of DKK 166 million. For the same period last year, the value adjustment amounted to an expense of DKK 455 million. Fair value adjustments are an accounting item with no effect on the company's debt repayment as the debt is repaid at nominal value.

The result before tax is a profit of DKK 1,556 million against a profit of DKK 1,214 million for the same period in 2019. The improved result of DKK 342 million, which was achieved despite the loss of revenue from road

traffic, can primarily be attributed to value adjustments of financial items, which have positively impacted the result by approximately DKK 620 million.

A/S Storebælt's financial risks are mainly unchanged in relation to the statement contained in the note to the 2019 annual report, which addresses financial risk management.

At the end of September, the floating rate debt amounted to 30 per cent of the net debt.

Equity totalled DKK 3,621 million on 30 September 2020 against DKK 4,007 million on 31 December 2019. Equity movements for the accounting period relate in part to the results for the period 1 January-30 September 2020 and in part to the dividend distribution of DKK 1,600 million which was adopted at the company's Annual General Meeting on 17 April 2020.

Interest-bearing net debt amounted to DKK 19.0 billion as at the end of September.

The repayment period for A/S Storebælt's debt is expected to be unchanged at 34 years calculated from the opening date, which corresponds to 2032.

Future operating results are estimated on the basis of the Ministry of Transport and Housing's fixed fee from Banedanmark for use of the rail link and on the basis of traffic forecasts for road traffic.

It should be noted that under the terms of the Act on Sund & Bælt Holding A/S for the parent company and for A/S Storebælt, and against a guarantee commission of 0.15 per cent, the Danish State has extended separate guarantees for interest and repayments and other ongoing liabilities associated with the company's borrowings. In addition, and without further notification of each individual case, the Danish State guarantees the company's other financial liabilities.

The company's commercial risks are unchanged in relation to the risks set out in the 2019 annual report. Substantial uncertainty exists concerning the consequences of Covid-19, with particular uncertainty related to road traffic revenue.

Outlook for the year

The current outbreak of Covid-19 and the closure of workplaces and borders have given rise to great uncertainty concerning the results for the current year.

The original expectations for the results for 2020 based on the budget adopted in November 2019 were for a profit before fair value adjustments and tax in the order of DKK 2.0-2.2 billion. By the end of September, lower revenue of approx. DKK 270 million was posted and it is estimated that depending on how Covid-19 develops, road revenues for 2020 may be up to DKK 400 million lower than expected. This estimate comes with considerable uncertainty. With regard to financing expenses, the effect is deemed to be limited as it is expected that the interest rate and inflation will remain at a low level for an extended period. However, the currently low level of inflation means that financing expenses in 2020 relative to the budget are expected to be reduced by approximately DKK 60 million.

On the basis of the aforementioned, the result before fair value adjustments and tax for 2020 is expected to amount to a profit in the order of DKK 1.7-2.0 billion.

Events after the balance sheet date

No events have occurred since the end of the period that can impact the company's earnings and economic position.

Statement by the Board of Directors and Management Board

The Board of Directors and Management Board have today discussed and approved the interim report for the period 1 January to 30 September 2020 for A/S Storebælt.

The interim report, which has not been audited by the company's auditors, has been prepared in accordance with IAS 34, Presentation of Interim Reports, as approved by the EU and additional disclosure requirements for interim reports for companies with publicly traded debt instruments.

We are of the opinion that the interim report gives a true and fair view of the company's assets, liabilities and financial position as at 30 September 2020 and the results of the company's activities and cash flow for the period 1 January – 30 September 2020.

It is our view that the Management Report contains a true and fair view of developments in the company's activities and financial position, the results for the period and the company's financial position as a whole, and a description of the key risks and uncertainties facing the company.

Copenhagen, 25 November 2020

Management Board

Mogens Hansen
CEO

Board of Directors

Mikkel Hemmingsen
Chair

Louise Friis
Vice-Chair

Mogens Hansen

Financial statements

Comprehensive income statement 1 January – 30 September

(DKK million)

	Note	2020 Q3	2019 Q3	2020 Q1 - Q3	2019 Q1 - Q3
Net revenue					
Net revenue	2	871	893	2,206	2,474
Total net revenue		871	893	2,206	2,474
Expenses					
Other external expenses		-89	-89	-251	-261
Depreciation, amortisation and write-downs		-133	-132	-405	-396
Total expenses		-221	-221	-656	-657
Operating profit (EBIT)		649	673	1,550	1,817
Financial items					
Financial income		15	25	35	72
Financial expenses		-105	-72	-195	-219
Value adjustments, net		-26	-136	166	-455
Total financial items	3	-116	-183	6	-603
Profit before tax		533	490	1,556	1,214
Tax		-117	-108	-342	-267
Profit for the period		416	382	1,214	947
Other comprehensive income		0	0	0	0
Tax on other comprehensive income		0	0	0	0
Comprehensive income		416	382	1,214	947

Balance sheet 30 September – Assets

(DKK million)

Assets	Note	30 Sep. 2020	31 Dec. 2019	30 Sep. 2019
Non-current assets				
Property, plant and equipment				
Road link	4	13,397	13,539	13,562
Rail link	5	11,632	11,821	11,885
Port facilities		173	181	182
Land and buildings		69	74	79
Other fixtures and fittings, plant and equipment		26	25	25
Total property, plant and equipment		25,296	25,640	25,733
Total non-current assets		25,296	25,640	25,733
Current assets				
Receivables				
Inventory		0	0	2
Receivables		703	541	820
Securities	6	940	942	792
Derivatives	6	1,062	1,128	1,474
Prepayments and accrued income		14	11	15
Total receivables		2,719	2,623	3,103
Cash at bank and in hand		234	0	0
Total current assets		2,953	2,623	3,103
Total assets		28,249	28,263	28,836

Balance sheet 30 September – Equity and liabilities

(DKK million)

Equity and liabilities	Note	30 Sep. 2020	31 Dec. 2019	30 Sep. 2019
Equity				
Share capital		355	355	355
Retained earnings		3,266	2,052	3,101
Proposed dividend		0	1,600	0
Total equity		3,621	4,007	3,456
Liabilities				
Non-current liabilities				
Deferred tax		1,321	978	1,073
Bond loans and amounts owed to credit institutions	6	19,631	18,311	19,759
Total non-current liabilities		20,952	19,289	20,832
Current liabilities				
Current portion of non-current liabilities	6	1,226	2,322	1,855
Credit institutions	6	0	30	20
Trade and other payables		519	579	490
Derivatives	6	1,931	2,036	2,183
Total current liabilities		3,676	4,967	4,548
Total liabilities		24,628	24,256	25,380
Total equity and liabilities		28,249	28,263	28,836

Accounting policies	1
Related parties	7
Auditor's statement	8

Statement of changes in equity 1 January – 30 September

(DKK million)

	Share capital	Retained earnings	Proposed dividend	Total
Balance at 1 January 2019	355	2,154	1,600	4,109
Dividend paid	0	0	-1,600	-1,600
Profit/loss for the year and comprehensive income	0	-102	1,600	1,498
Balance at 31 December 2019	355	2,052	1,600	4,007
Balance at 1 January 2020	355	2,052	1,600	4,007
Dividend paid	0	0	-1,600	-1,600
Profit for the period and comprehensive income	0	1,214	0	1,214
Balance at 30 September 2020	355	3,266	0	3,621

Cash flow statement 1 January – 30 September

(DKK million)

	2020 Q1 - Q3	2019 Q1 - Q3
Cash flow from operating activities		
Operating profit (EBIT)	1,550	1,817
Adjustments		
Depreciation, amortisation and write-downs	405	396
Cash flow from operations (operating activities) before change in working capital	1,955	2,213
Change in working capital		
Receivables and prepayments	-16	627
Trade and other payables	-167	-692
Total cash flow from operating activities	1,772	2,147
Cash flow from investing activities		
Acquisition of intangible and tangible fixed assets	-61	-97
Total cash flow from investing activities	-61	-97
Free cash flow	1,712	2,050
Cash flow from financing activities		
Raising of loans	1,578	2,630
Reduction of liabilities	-1,216	-3,079
Raising of loans at credit institutions	0	20
Debt reduction with credit institutions	-30	0
Interest expenses, paid	-209	-286
Paid dividend to shareholder	-1,600	-1,600
Total cash flow from financing activities	-1,477	-2,315
Change for the period in cash and cash equivalents	234	-265
Opening cash and cash equivalents	0	265
Closing cash and cash equivalents	234	0

Notes

Note 1. Accounting policies

The interim financial statements are presented in accordance with IAS 34, Presentation of Interim Reports, as approved by the EU and Danish disclosure requirements for listed companies. The financial section of the interim report complies with the provisions in IAS 34 for condensed interim financial statements.

The interim financial statements are presented in Danish kroner (DKK) which is the company's functional currency.

The accounting policies applied in the interim financial statements are unchanged from the accounting policies applied in the 2019 financial statements. Reference should be made to the 2019 annual report for a further description of the accounting policies applied.

The financial ratios given in the main figures and financial ratios summary have been calculated as follows:

Profit ratio: EBIT less other earnings in percentage of revenue.

Rate of return: EBIT less other earnings in percentage of total assets

Return on facilities: EBIT less other earnings in percentage of the investment in the road and rail links.

Note 2. Revenue

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

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

Specification of net revenue	2020	2019
	Q1 - Q3	Q1 - Q3
Net revenue, road	1,966	2,236
Net revenue, railway	218	215
Net revenue, ports	22	23
Total net revenue	2,206	2,474

Note 3. Financial items

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

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

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

	2020 Q1 - Q3	2019 Q1 - Q3
Financial income		
Interest income, financial instruments	35	72
Total financial income	35	72
Financial expenses		
Interest expenses, loans	-114	-206
Interest expenses, financial instruments	-74	-13
Other financial items, net	-6	0
Total financial expenses	-195	-219
Net financing expenses	-160	-147
Value adjustments, net		
- Securities	-3	0
- Loans	97	-574
- Currency and interest rate sw aps	72	118
- Other value adjustments	0	1
Value adjustments, net	166	-455
Total financial items	6	-603
Of which financial instruments	33	177

Commission to the Danish State of DKK 22 million is recognised in interest expenses for Q1-Q3 2020 (Q1-Q3 2019: DKK 22 million).

Net financing expenses were DKK 13 million higher as at 30 September 2020 compared to the same period in 2019, which is primarily due to a slightly higher effective interest rate on the fixed rate interest rate hedging.

Note 4. Road link

	Directly capitalised expenses	Value of own work	Financing expenses (net)	Projects in progress	Total 30 Sep. 2020	Total 31 Dec. 2019
Cost opening balance	12,961	1,042	4,399	0	18,402	18,331
Adjustment to opening balance	0	-60	0	60	0	0
Additions for the year	0	0	0	33	33	86
Disposals for the year	-95	0	0	0	-95	-14
Transfers for the year	48	0	0	-48	0	0
Cost, end of period	12,914	982	4,399	45	18,340	18,402
Depreciation, opening balance	3,683	217	964	0	4,863	4,654
Depreciation, amortisation and w ritedow ns for the year	135	7	33	0	176	223
Depreciation on assets disposed of	-95	0	0	0	-95	-14
Depreciation end of period	3,722	224	997	0	4,943	4,863
Book value	9,191	758	3,402	45	13,397	13,539

Note 5. Rail link

	Directly capitalised expenses	Value of own work	Financing expenses (net)	Projects in progress	Total 30 Sep. 2020	Total 31 Dec. 2019
Cost opening balance	12,449	597	5,034	0	18,080	18,052
Adjustment to opening balance	0	-30	0	30	0	0
Additions for the year	0	0	0	20	20	32
Disposals for the year	-1	0	0	0	-1	-4
Transfers for the year	7	0	0	-7	0	0
Cost, end of period	12,455	567	5,034	43	18,099	18,080
Depreciation, opening balance	4,254	203	1,801	0	6,258	5,980
Depreciation, amortisation and w ritedow ns for the year	152	6	52	0	210	282
Depreciation on assets disposed of	-1	0	0	0	-1	-3
Depreciation end of period	4,405	209	1,854	0	6,468	6,259
Book value	8,050	358	3,180	43	11,632	11,821

Note 6. Net debt

Fair value hierarchy	30 Sep. 2020			31 Dec. 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Securities	940	0	0	942	0	0
Cash at bank and in hand	0	0	0	0	0	0
Derivatives, assets	0	1,062	0	0	1,128	0
Financial assets	940	1,062	0	942	1,128	0
Bond loans and debt	-19,723	-1,134	0	-18,827	-1,836	0
Derivatives, liabilities	0	-1,931	0	0	-2,036	0
Financial liabilities	-19,723	-3,065	0	-18,827	-3,872	0

Net debt spread across currencies	30 Sep. 2020			31 Dec. 2019		
	EUR	DKK	Other currency	EUR	DKK	Other currency
Cash at bank and in hand	76	159	0	-244	243	0
Securities	940	0	0	942	0	0
Financial assets	1,016	159	0	699	243	0
Bond loans and debt	0	-19,999	-858	-8	-19,082	-1,572
Currency and interest rate sw aps	-2,237	511	858	-2,936	454	1,574
Currency futures	686	-687	0	-448	448	0
Currency options	0	0	0	0	0	0
Accrued interest	-34	77	0	-59	69	0
Financial liabilities	-1,585	-20,098	0	-3,451	-18,111	1
Total net debt	-569	-19,940	0	-2,753	-17,867	1

	30 Sep. 2020	30 Sep. 2019
Interest-bearing net debt		
Repayment period - number of years	34	34
Interest-bearing net debt - DKK billion	19.0	19.9
Repayment of debt	2032	2032
Financing expenses excl. value adjustment - per cent per annum	0.96	0.84
Financing expenses incl. value adjustment - per cent per annum	0.09	3.13

Note 7. Related parties

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

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

Related party	Description	Amount 2020 Q1 - Q3	Amount 31 Dec. 2019	Balance at 30 Sep. 2020	Balance at 31 Dec. 2019
The Danish State	Guarantee commission	-21.6	-30.7	-21.0	-30.0
Sund & Bælt Holding A/S	Management of subsidiary's operational tasks	-63.7	-65.1	-8.9	-0.8
	Joint taxation contribution	0.0	-250.1	0.0	-250.1
	Common functions	-0.5	0.8	0.0	0.5
A/S Øresund	Maintenance tasks	0.0	0.8	0.0	0.2
BroBizz A/S	Reinvoicing	1,874.5	2,137.6	312.5	298.5
	Issuer fee	-54.0	-62.4	-17.2	-7.8
	Purchase of services	-1.7	-14.6	-0.2	-15.0
BroBizz Operatør A/S	Reinvoicing	-0.3	0.3	0.0	0.0
Øresundsbro Konsortiet I/S	Purchase of financial management	-1.8	-4.9	0.0	-0.9
	Reinvoicing	-1.2	0.0	-0.3	0.0
Banedanmark	Payment for use of rail link	217.9	292.5	-3.0	29.1
	Maintenance work	-1.7	-4.5	-0.7	-4.2

Note 8. Auditor's statement

No audit or review of the interim report has been performed.