

Annual Report 2019

Metroselskabet I/S





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Foreword

Metroselskabet's result for 2019 before depreciation and write-downs is significantly higher than expected

The result for 2019 before depreciation and write-downs is a profit of DKK 436 million, which is DKK 164 million higher than expected. The increase is primarily attributable to higher passenger revenue due to more customers than expected using the Metro in 2019, as well as a higher fare per passenger than expected. The high passenger numbers mean that, for the first time in its history, Metroselskabet achieved fare revenue exceeding DKK 1 billion, with fare revenue amounting to DKK 1,154 million in 2019. In 2019, the profit from the operation of the Metro exceeded interest costs, so that the operating profit contributed to the financing of the construction of the Metro. Metroselskabet's profit ratio is 22 per cent, compared to an expected profit ratio of 16

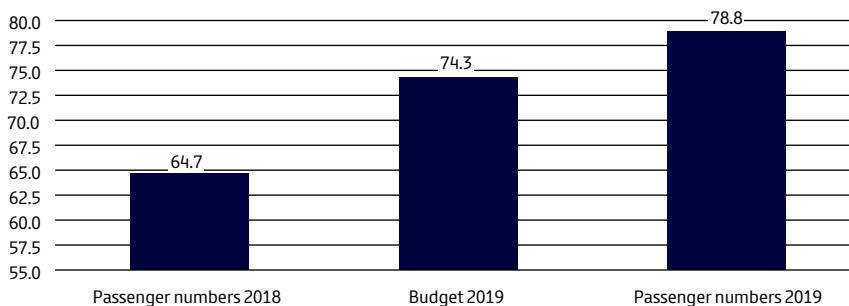
per cent. The company's financial performance in 2019 thus exceeded expectations, and the result is assessed to be satisfactory.

Continued increase in Metro passenger numbers

78.8 million passengers took the Metro in 2019. This is an increase of around 22 per cent compared to last year, when 64.7 million passengers took the Metro. Much of the growth in passenger numbers can be attributed to the opening of the new M3 Cityring Metro line in September 2019. From M3 Cityring's opening until the end of the year, 12.3 million passengers travelled on this Metro line, which is 36 per cent more passengers than expected. The remainder of the increase in passenger numbers can be attributed to growth for M1/M2, with 66.6 million passengers travelling on these Metro lines, which is equivalent to an increase of around 3 per cent from the previous year.

Metro passenger numbers

million passengers



Satisfactory operational stability on all Metro lines

In the first three months of operation of the M3 Cityring, the line's operational stability was 98.4 per cent, which is a satisfactory result in view of the complexity of opening a Metro line with 17 new stations. M1/M2 likewise achieved satisfactory operational stability, at 99.2 per cent. The high operational stability of both M1/M2 and M3 meant that the Metro could interconnect Frederiksberg and districts of Copenhagen by ensuring stable and reliable operation, for the benefit of passengers.



In the first three months after the line opened, satisfaction with journeys made on M3 Cityring was an average of 98 per cent.”

Customers like the Metro

Metroselskabet continuously surveys customers' satisfaction with the Metro. In 2019, the level of satisfaction with journeys made on M1/M2 was an average of 97 per cent. In the first three months after the line opened, satisfaction with journeys made on M3 Cityring was an average of 98 per cent. For both M1/M2 and the new M3 line, there is thus a high level of customer satisfaction.

Completion and opening of M3 Cityring

2019 was a year in which Metroselskabet worked intensively on the completion of M3 Cityring and the line's subsequent opening on 29 September 2019. The opening of M3 Cityring was marked with a popular celebration in Copenhagen and Frederiksberg, with around 15-20,000 people attending the opening event at Copenhagen's City Hall Square, while 5,000 people attended the event in Frederiksberg. Her Majesty the Queen and representatives of the political ownership, including the Prime Minister, the Minister for Transport, the Lord Mayor of Copenhagen and the Mayor of Frederiksberg, also attended the opening. On the opening day, it was free to travel on all three Metro lines.

M1/M2 will face capacity challenges within a few years

As a consequence of a significantly greater increase in Metro passenger numbers than originally expected, capacity on certain sections of the M1/M2 will begin to be challenged in as early as 2020 and will be exacerbated significantly during the following years. The capacity challenges are concentrated particularly on the section between Kongens Nytorv and Amagerbro/Islands Brygge, and high priority is therefore given to increasing this section's capacity. Improving capacity across the port of Copenhagen is a condition for maintaining a high service level on the Metro and accommodating the growth in passenger numbers.

If capacity is not increased, Metro customers may get left behind at the busiest stations during the morning rush hours, and thereby be obliged to wait for a later train. Metroselskabet is therefore working on capacity improvement measures as part of a larger investment programme for the M1 and M2 lines. These measures are expected to meet the capacity challenges up to 2035. Among other things, the company is working on the deployment of more trains in operations and also a new operating system. To ensure that the Metro can also accommodate passenger growth after 2035, in the course of the next few years it is necessary to decide which long-term solutions to implement, since this will involve major infrastructure investments that will take time to plan and achieve.

Focus on completion and opening of M4 Nordhavn

In 2019, Metroselskabet also focused on the completion of M4 Nordhavn, including the safety approval of the systems, so that the M4 Nordhavn line can open in March 2020 as planned. In connection with the completion of the M4 Nordhavn line, for two weeks in January 2020 it was necessary to close the M3 Cityring line to passengers. The M4 Nordhavn line is expected to open on 28 March 2020.

In this report you can read more about Metroselskabet's activities during the past year.

Thank you for a good year to all of our passengers, business partners and employees.

We hope that you enjoy reading the report!

Jørn Neergaard Larsen
Chairman Board of Directors

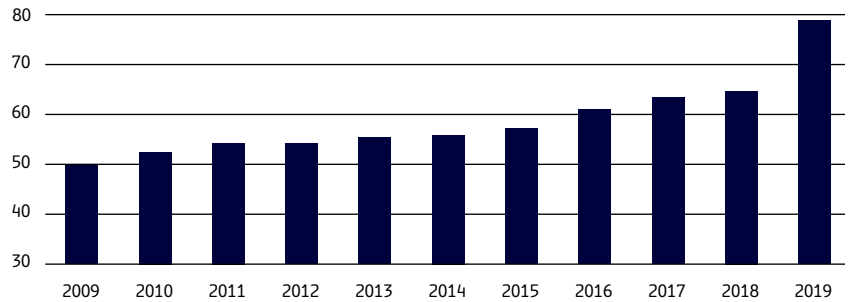
Henrik Plougmann Olsen
CEO



Summary of Key Figures

Passenger numbers

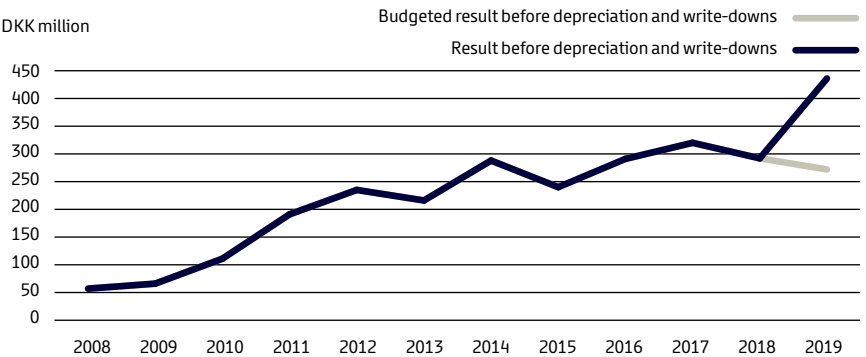
Million passengers



Note: The total number of passengers is the total number of M1/M2 and M3 passengers, i.e. without taking account of people changing lines between M1/M2 and M3.

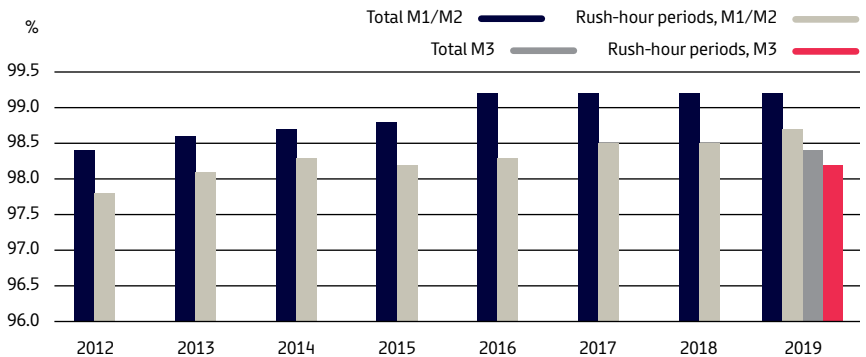
Result before depreciation and write-downs

DKK million



Operational stability

%

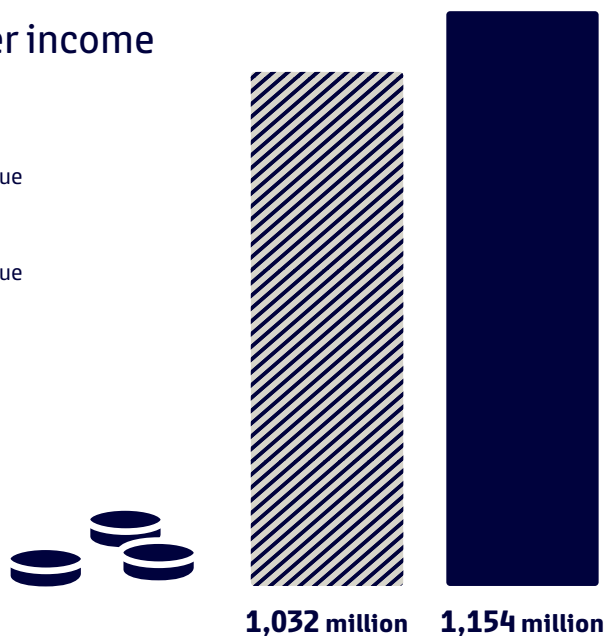


Note: M3 is only from October to December

2019 in Brief

Passenger income

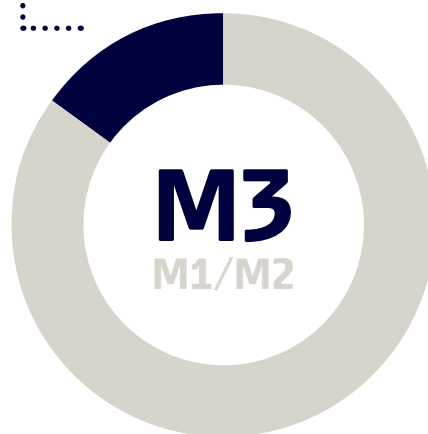
-  Budgeted fare revenue
-  Actual fare revenue



12.3 million

Så mange passagerer har kørt med den nye M3-linje siden åbningen i september.

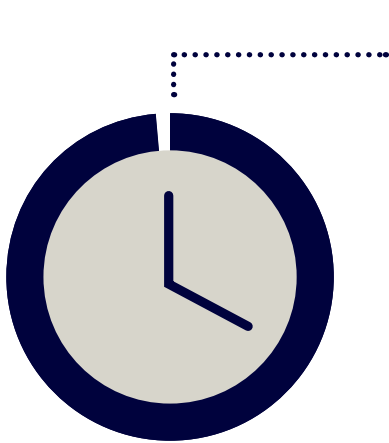
15.5% Of the year's total number of passengers is thus from M3



78.8 million

Passengers in 2019

14.1 million
More passengers than in 2018



99.2%

M1/M2

98.4%

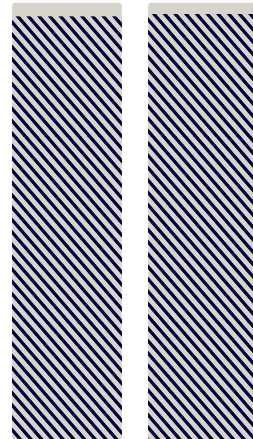
M3

Operational stability



Customer satisfaction with the journey

97% 98%

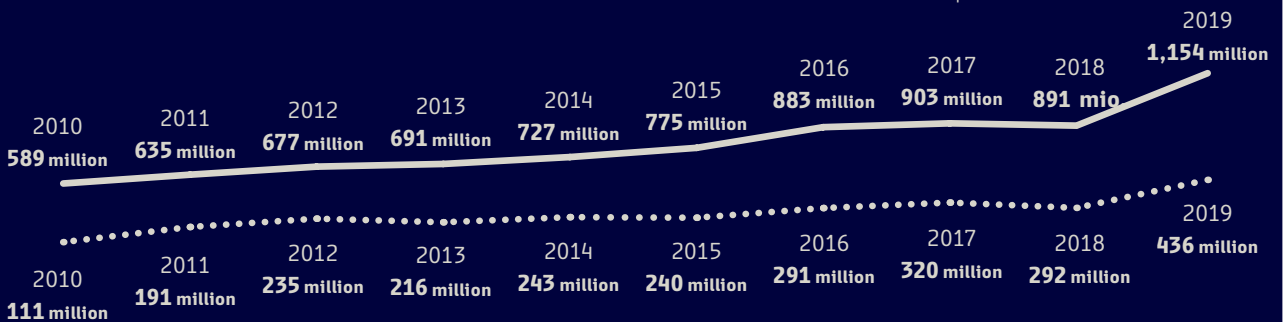


M1/M2

M3

Development in the result before depreciation and write-downs and in fare revenue (adjusted for non-recurring income), 2010-2019

- Fare revenue
- Development in the result before depreciation and write-downs



Directors' Report



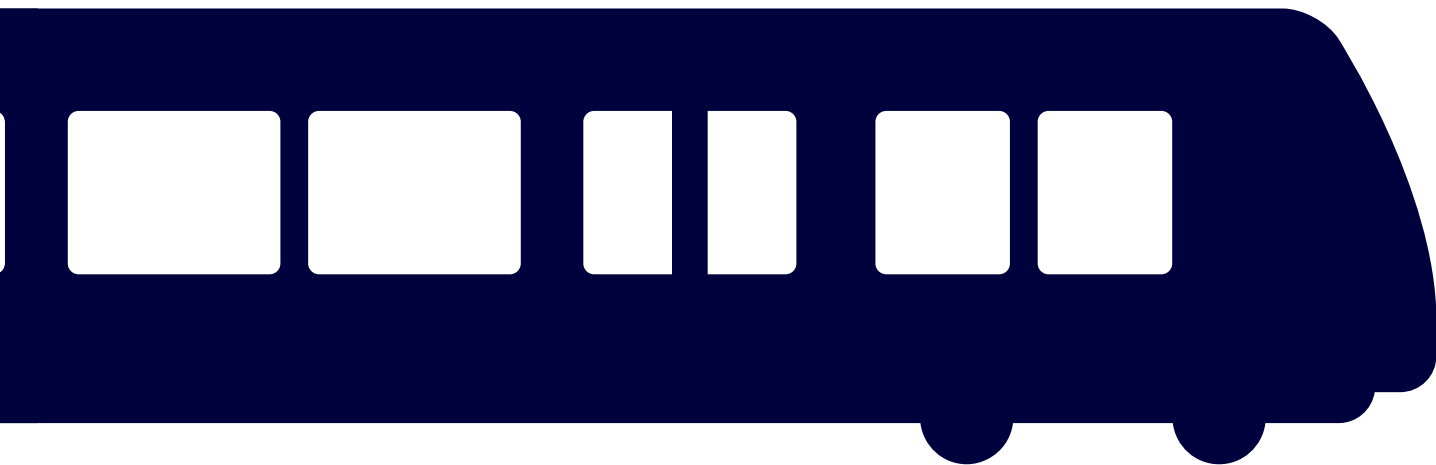




Photo: Ditte Valente

Directors' Report

Metroselskabet has drawn up a business strategy for the period from 2018 to 2022. The business strategy sets the framework for the company's work during the strategy period and comprises the following five focus areas: 1) Finances, 2) Operation and maintenance, 3) Construction, 4) Business development and 5) CSR. The Directors' Report is based on the aforementioned focus areas and describes Metroselskabet's activities in 2019 within selected sub-elements of the focus areas.

Metroselskabet has prepared a separate report for the "CSR" focus area. Reference is therefore made to Metroselskabet's 2019 CSR Report for a more detailed description of the company's CSR work in 2019. Metroselskabet works systematically with CSR within the framework of the UN Global Compact, of which Metroselskabet has been a member since 2016. The CSR Report and the Annual Report are two equivalent reports that both describe the various bottom lines for Metroselskabet's activities.

Finances

Metroselskabet must be operated on a commercial basis. Metroselskabet's most important financial obligation is to observe the long-term budget and thereby to service the company's debt on a timely basis. Metroselskabet also works to achieve the financing of new construction projects, which requires the company to continuously streamline its activities and reduce its costs.



The company's profit ratio is 22 per cent in 2019, compared to an expected profit ratio of 16 per cent."

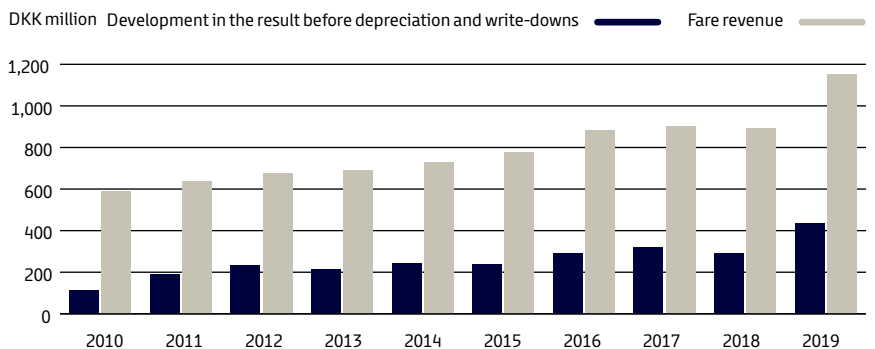
The result for the year exceeds expectations

The result for 2019 before depreciation and write-downs is a profit of DKK 436 million, which exceeds the budget expectations by DKK 164 million. This is primarily due to higher passenger revenue as a consequence of more passengers than expected, since in 2019 the Metro had 78.8 million passengers, compared to the expected 74.3 million budgeted for 2019, as well as a higher fare per passenger than expected.

Metroselskabet's profit ratio is 22 per cent, compared to an expected profit ratio of 16 per cent. The company's financial performance in 2019 thus exceeded expectations, and the result is assessed to be satisfactory.

Depreciation and write-downs total DKK 516 million in 2019, of which depreciation concerning the Metro in operation amounts to DKK 303 million, while write-downs concerning the Metro construction work total DKK 213 million. Depreciation concerning the Metro in operation increased from DKK

Development in the result before depreciation and write-downs and in fare revenue (adjusted for non-recurring income), 2010-2019



The figures for 2014 are adjusted for non-recurring income of DKK 45 million concerning a concluded arbitration case.

Depreciation expresses the year's decrease in the value of the company's assets.

Write-downs express the impairment of the company's assets beyond depreciation.

Equity expresses the company's own financing and is calculated as the company's assets minus the company's debt (liabilities).

Market value expresses the value of the company's debt at the given time.

Market value adjustment shows the development in market value during the financial year. For as long as the loans are held to maturity, the market value adjustment does not affect the company's liquidity and long-term finances.

164 million in 2018 to DKK 303 million in 2019. The increase in depreciation is due to the opening of the M3 Cityring line.

The result for the year before financial items is a loss of DKK 81 million. Financial items comprise interest income of DKK 262 million and interest expenses of DKK 588 million. The result before market value adjustment is a loss of DKK 406 million. The market value adjustment can be attributed primarily to the company's financial agreements concerning interest rate hedging and comprises a charge of DKK 2,175 million. The result for the year is thus a loss of DKK 2,581 million.

Operating result for the Metro

The result of Metro operations before depreciation and write-downs is DKK 436 million, which is DKK 164 million higher than expected. The increase is due to passenger revenue as a consequence of the increase in the number of passengers and a higher fare per passenger than expected.

Revenue totals DKK 1,679 million, of which DKK 1,154 million from the joint fare system and DKK 525 million primarily from the leasing out of the Metro. The year's costs concerning payment for the operation of the Metro, contract management, administration and similar items amounted to DKK 1,244 million. The company's primary operating profit ratio is 26 per cent, which is better than expected, and is assessed to be satisfactory.

Depreciation, etc. amounts to DKK 304 million and the result of Metro operations before financial items is a profit of DKK 132 million. The development in the result of Metro operations thus exceeded expectations and the result is assessed to be satisfactory.

Development in equity

The accounting result for the year is a loss of DKK 2,581 million, which has been carried

to equity, together with the owners' release of an adjustment reserve of DKK 241 million for the Sydhavn branch. Equity is thereafter negative at DKK -3,347 million and in accordance with expectations.

After market value adjustments, the company's adjusted equity amounted to DKK 3,680 million at the end of 2019. The adjusted equity has decreased by DKK 165 million from 2018, which is due to the owners' aforementioned release of a reserve of DKK 241 million, and a result before market value adjustment of DKK -406 million. Market value adjustment entailed an accounting charge of DKK 2,175 million.

The market value adjustment can be attributed primarily to the company's financial agreements on the hedging of interest rates that are concluded in order to increase the budget certainty of the company's long-term finances. The adjustment is solely an accounting registration that has no impact on liquidity, since the intention is to retain the agreements until their maturity.

Metroselskabet is a partnership in which the owners are 100 per cent liable for the company. Any negative equity capital in the company does not entail any need for further contributions from the owners, as Metroselskabet can still service its debt as planned.

Investment in M3 Cityring, M4 Nordhavn and M4 Sydhavn

Up to 2024, Metroselskabet expects to invest approximately DKK 38.8 billion in total in the construction of M3 Cityring, M4 Nordhavn and M4 Sydhavn. The construction budget for M3 Cityring totalling DKK 25.3 billion (2019 prices) is based on the major construction contracts established for the transport system, as well as the M3 Cityring

Operating result for the Metro

All figures in DKK million	2019	2018
Fare payments	1,154	891
Metro operating income	520	360
Other operating income	5	4
Total Metro operating income	1,679	1,255
Payment for operations	-1,154	-891
Contract management, etc.	-48	-37
Other expenses	-10	-5
Administration costs	-32	-30
Total Metro operating expenses	-1,244	-963
The Metro's operating result before depreciation and write-downs	436	292
Depreciation	-304	-165
The Metro's operating result before financial items	132	127
Net profit ratio before depreciation	26%	23%

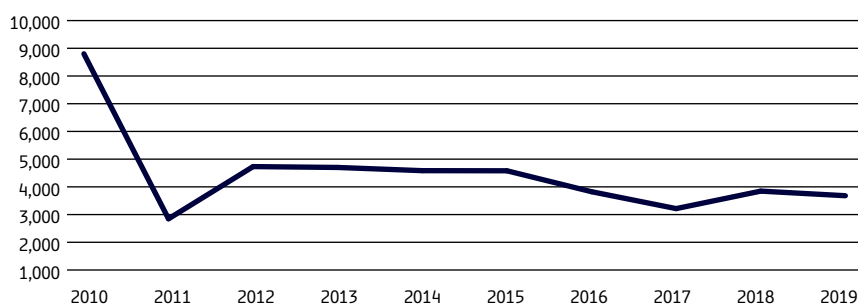
Definition: The net profit ratio before depreciation is compiled as the result before depreciation as a ratio of total income.

The Metro's operating result cannot be derived directly from Metroselskabet's Profit and Loss Account, but is shown in Notes 1 and 19 to the financial statements.

The fare payments are based on average passenger revenue per new passenger of DKK 14.01 in 2019, calculated on the basis of the Danish Ministry of Transport and Housing's Order on the distribution of ticket revenue in Greater Copenhagen.

Development in adjusted equity, 2010-2019

DKK million



Adjusted equity corresponds to equity after market value adjustment, cf. the Statement of Changes in Equity.

construction work. The total construction budget for M4 Nordhavn of DKK 3.2 billion, including an adjustment reserve (2019 prices), is based on the construction contracts established for the transport system, as well as the construction work relating to the M4 Nordhavn line. The total construction budget for M4 Sydhavn of DKK 9.3 billion, including an adjustment reserve (2019 prices), is based on the construction contracts established for the transport system, as well as the construction work relating to the M4 Sydhavn line.

In 2019, the investments defrayed for M3 Cityring, M4 Nordhavn and M4 Sydhavn totalled DKK 3,4 billion, so that the total investment to date is DKK 30.7 billion.

Photo: Ditte Valente



Investment budget for M3 Cityring, M4 Nordhavn and M4 Sydhavn

All figures in DKK million	Metro investments in 2019	Investments at 31 December 2019	Overall investment budget	Overall investment budget
M3 Cityring	1,610	24,959	25,327	23,552 (2010 prices)
M4 Nordhavn ¹	93	2,421	3,175	2,900 (2012 prices)
M4 Sydhavn ¹	1,091	2,482	9,393	8,627 (2014 prices)
Mobilisation and Trial Run	636	869	947	932 (2018 prices)
Total	3,430	30,731	38,842	-

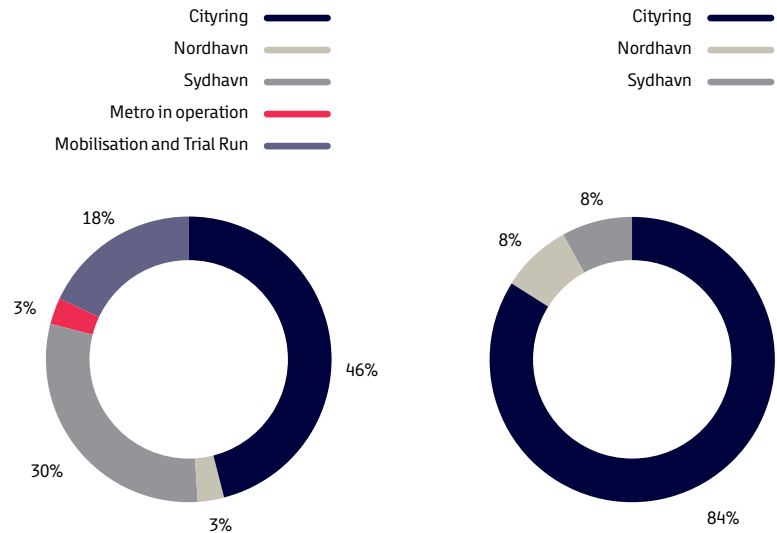
¹ Including adjustment reserve

The year's investment in the Metro in operation amounts to DKK 98 million.

The net book value of the Metro is stated at DKK 24.2 billion in the Balance Sheet, since Cityring, Nordhavn and Sydhavn are valued on the basis of the overall Metro's expected capital value, with due consideration of the capital investments planned.

The year's investments in 2019 distributed on projects

Total investment as at 31 December 2019 distributed on construction projects



The net book value of the Metro is stated at DKK 24.2 billion in the Balance Sheet, since the Metro is valued on the basis of the overall Metro's expected capital value, with due consideration of the capital investments planned.

Value of the overall Metro

The net book value of the overall Metro is reviewed annually in order to determine whether there are indications of impairment. The recoverable value (present value) is calculated on an overall basis for the Metro in operation (including M3 Cityring), M4 Nordhavn and M4 Sydhavn, as they will constitute one overall cash-flow generating entity.

The future cash flows, which are included in the recoverable value, are based on the company's current long-term budget and its incorporated future expectations, cf. the Appendix to the Directors' Report. On the calculation of the recoverable value, the estimated future cash flows are discounted back to present value. At end-2019, the recoverable value was lower than the book value, so that the value of the asset has been written down. The write-down of the fixed asset on the balance sheet date amounts to DKK 213 million, cf. Note 6 to the financial statements.

The assumed level of interest rates (discounting factor) constitutes the principal uncertainty regarding the estimated value of the Metro. The company has applied a conservative expectation of the development in interest rates to the valuation of the overall Metro (the recoverable value), since a risk supplement is included which reflects the uncertainty of the development in interest rates. If the company had instead applied the current lower market interest rate, the value of the fixed assets would have been significantly higher and the result for the year would have improved significantly. In the same way, the result would have been lower if an expectation of higher interest rates had been applied. Note 6 to the Annual Accounts presents the calculation of the risk exposure to the expected development in interest rates.

Stabilisation of fluctuations in equity

The present low level of interest rates is also reflected in the statement of the market value of the company's debt and the derivative financial instruments used to hedge the interest rate risk on the company's present and future debt. In this respect, the company among other things has agreements on the interest rate hedging of a large part of the expected future maximum debt via agreements on either a fixed interest rate or an inflation-pegged interest rate. The maturity is determined on the basis of the company's expectations of the debt structure and servicing of the debt.

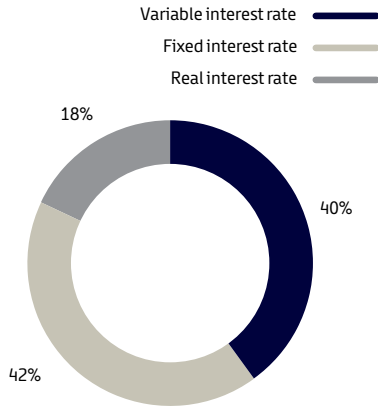
In the same way as for the valuation of the Metro, the net book market value of the debt increases when the interest rate level for the debt decreases. The fluctuations in the two accounting items must not be expected to set off each other, among other things because different interest rates are applied (e.g. long/short-term interest rate and fixed/inflation-pegged/variable interest rate) to the items. Nonetheless, the application of current interest rate levels to both the valuation of the Metro and the market value adjustment of the agreements established concerning the interest rate hedging of significant interest rate fluctuations will, overall, serve to stabilise fluctuations in the company's equity.

Financing

At the end of 2019, Metroselskabet had raised loans totalling DKK 29.4 billion (in nominal terms). The loans are raised as lending at Danmarks Nationalbank. As at the end of 2019, the company's long-term debt commitments totalled DKK 37.6 billion in net terms.

The recoverable value represents the current value (present value) of a company's future investments and the revenue that the asset is expected to realise.

Interest rate distribution as at 31 December 2019 in relation to current debt



Advisory services

In 2011, Metroselskabet's owners prepared and approved accounting regulations that apply to the company's activities which are subject to competition. Advisory services are subject to the accounting regulations that concern activities which are subject to competition, and the accounts for these advisory services are presented on this basis.

The result after calculated tax is a loss of TDKK 24 in 2019 (a profit of TDKK 6 in 2018).

The accumulated result of Metroselskabet's advisory services was a profit of TDKK 321 at the end of 2019.

Capital and long-term finances

In connection with the company's budgeting for 2020 an updated long-term budget has been drawn up, including the expected repayment term for the debt. The long-term budget presents the expectations concerning the Metro's long-term economic development. The description

is based on a number of assumptions and is subject to the uncertainty that will always apply to assessments of future circumstances. The budget is based, among other things, on assumptions concerning the development in the number of Metro passengers, as well as the development in interest rates and indexes.

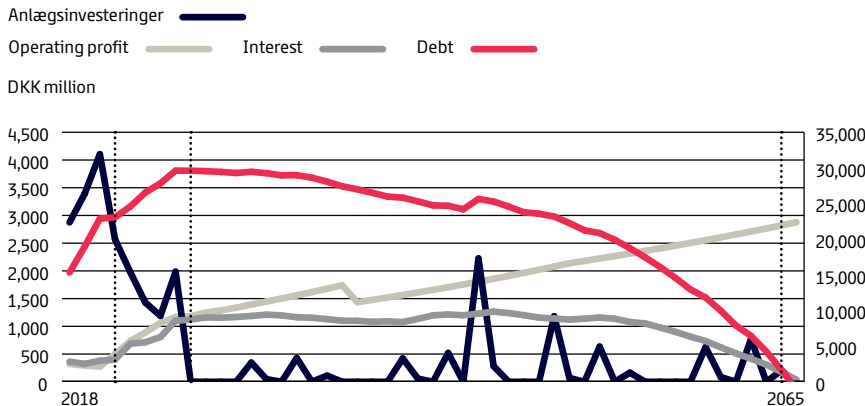
The long-term budget shows that the company's net debt is expected to reach its maximum level, at approximately DKK 29.6 billion (in current prices and including interest), in 2025. The debt is expected to be repaid in 2065.

The company has built up appropriate interest rate exposure, so as to lock elements of the future interest costs. The company has done this by entering into financial agreements on interest rate hedging, whereby the interest rates for a large proportion of the expected maximum debt have been agreed. The agreements have been established in order to increase the budget certainty of the company's long-term finances.

In 2019, the profit from the operation of the Metro exceeded the interest costs, and thereby contributed to the financing of the construction work. If market expectations prove to be correct and the low interest rates thus continue, in the coming years operations are expected to continue to contribute to, among other things, the financing of the Metro to Sydhavn. As from 2025, when the current capital investments are concluded, the profit from the operation of the Metro will entail that the debt will be paid off, so that the company is expected to be debt-free by 2065.

Each year, a finance strategy is determined so as to ensure appropriate financial management that minimises the long-term financial costs, with due consideration of financial risks. Financial management within the stated strategy is undertaken by Sund

The company's long-term finances



Financial Highlights and Key Figures

All figures in DKK million	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net turnover for the year	722	864	980	1,100	1,125	1,301	1,294	1,473	1,519	1,492	1,945
Result before depreciation and write-downs	66	111	191	235	216	288	240	291	320	292	436
Depreciation and write-downs	-596	-787	-5,689	1,772	-484	-2,392	-3,531	-708	-567	215	-516
Result before financial items	-530	-676	-5,498	2,007	-267	-2,104	-3,291	-417	-247	507	-81
Financial items	113	45	-457	-123	-64	-149	-229	-337	-363	-322	-325
Result before market value adjustment	-387	-632	-5,954	1,884	-331	-2,254	-3,520	-754	-610	184	-406
Market value adjustment	-30	358	-2,882	-550	2,138	-3,712	825	-1,562	695	-143	-2,175
Result for the year	-417	-274	-8,837	1,335	1,807	-5,966	-2,695	-2,316	85	42	-2,581
Balance Sheet total	9,691	9,442	8,216	10,077	12,633	15,953	17,308	23,270	24,851	30,380	38,771
Investment in the Metro for the year	448	637	3,651	2,332	3,170	3,420	3,842	4,654	2,875	3,392	3,616
Long-term debt	56	0	4,403	6,600	7,345	12,900	13,287	22,895	22,078	27,696	37,555
Equity	9,413	9,139	303	1,637	3,744	-87	737	-1,579	-1,495	-1,007	-3,347
Adjusted equity*	9,433	8,801	2,847	4,731	4,700	4,581	4,580	3,825	3,215	3,846	3,680
Equity ratio	97%	97%	4%	16%	30%	-1%	4%	-7%	-6%	-3%	-9%
Adjusted equity ratio	97%	93%	35%	47%	37%	29%	26%	16%	13%	13%	9%
Profit ratio	9%	13%	19%	21%	19%	22%	19%	20%	21%	20%	22%
Profit ratio from the Metro in operation	10%	14%	22%	24%	22%	25%	22%	23%	25%	23%	26%
Rate of return	1%	1%	2%	2%	2%	2%	1%	1%	1%	1%	1%
Number of passengers (million)	50	52	54	54	55	56	57	61	63	65	79
Number of employees (year-end)	93	123	160	219	242	274	289	325	330	338	332

*Adjusted equity is adjusted for market value adjustment



Each risk has a designated risk owner, who ensures that risks are prevented, handled and reported within the individual professional areas.”

og Bælt Partner. This is laid down and described in Metroselskabet's memorandum of association.

As joint partners in the company, the Danish State, the City of Copenhagen and the Municipality of Frederiksberg are directly, unconditionally, and jointly and severally liable for all of Metroselskabet's obligations, including the loans raised by Metroselskabet. Due to the joint and several liability of the Danish State, Metroselskabet is indirectly subject to the same credit rating as sovereign risk, which is AAA. This means that Metroselskabet can generally achieve terms in the capital market that are equivalent to those available to the Danish State. In addition, Metroselskabet is able to raise re-lending loans at Danmarks Nationalbank. A re-lending loan is a loan raised directly for Metroselskabet from Danmarks Nationalbank on behalf of the Danish State, based on a specific government bond, and on the same terms as those that apply when the bond is sold in the market.

Key figures

$$\text{Equity ratio} = \frac{\text{Total equity at year-end} \times 100}{\text{Total assets}}$$

$$\text{Adjusted equity ratio} = \frac{\text{Total equity excluding market value adjustments} \times 100}{\text{Total assets}}$$

$$\text{Profit ratio} = \frac{\text{Result before depreciation and write-downs} \times 100}{\text{Net revenue}}$$

$$\text{Rate of return} = \frac{\text{Result before depreciation and write-downs}}{\text{Total assets}} \times 100$$

Arbitration cases, etc.

In July 2016, Metroselskabet's contractor for the M3 Cityring line, CMT, filed claims for approximately EUR 1 billion (approximately DKK 7.5 billion) to the Arbitration Court. On 10 February 2017 – adopted by the company's owners on 6 April 2017 – Metroselskabet entered into a settlement agreement with CMT. Under the agreement, around half of the claims were closed and withdrawn from arbitration. Claims for approximately EUR 420 million (approximately DKK 3.1 billion) are upheld before the Arbitration Court, but with a maximum ceiling on payments of EUR 234.5 million (approximately DKK 1.8 billion).

In the following years, including 2019, CMT has made a number of new claims, which were combined in CMT's final statement at the beginning of January 2020. In addition to the claims under the pending arbitration case, the final statement includes claims for approximately EUR 385 million (approximately DKK 2.9 billion). These claims are, however, subject to the settlement agreement's payment ceiling for future claims of EUR 32.5 million (approximately DKK 243 million). This ceiling has subsequently been reduced to EUR 7.5 million (approximately DKK 56 million) by closing some of the claims.

In accordance with the contract, these claims will now have to be negotiated between the parties. If no agreement can be reached, it must be expected that CMT will refer the claims to the Arbitration Court. On this basis, Metroselskabet assesses that the most of the claims can be rejected.

Risk management

The risks to which the company is exposed are determined via the company's risk management activities. The objective of the company's risk management is systematic

risk identification both across the organisation and locally within the organisation, enabling the company to achieve an overview of the overall risk exposure and thereby handle risks on the most appropriate basis.

Systematic reporting

Risks are reported at several different levels. Each risk has a designated risk owner, who ensures that risks are prevented, handled and reported within the individual professional areas, thereby ensuring a high standard of reporting. The company is focused on ensuring systematisation of risk management across all of the company's activities. For the company's major projects, including M4 Nordhavn and M4 Sydhavn, a risk management process that is especially adapted to these projects has been built up. This process involves the contractors during the construction of the system, thereby ensuring that risks are handled on the most appropriate basis.

An equivalent process has been implemented for the company's other activities, including the company's investment programme, operations and traffic economy, and has been expanded to also consider earlier and subsequent phases of the projects. Risks are reported to the Executive Management, which assesses proposals for changes to the current risk exposure from all of the company's activities. The Executive Management evaluates the proposals received and ensures that ongoing risks are handled and assessed on a uniform basis, with due consideration of probability and consistency across the organisation. On this basis, the Executive Management prepares a comprehensive list and a current risk list comprising the company's overall risk exposure.

On a quarterly basis, the Executive Management presents a prioritised list of current risks to the Risk Committee, and then to the

full Board of Directors. At quarterly meetings with the company's owners, the company reports on the risk exposure, based on the Board of Directors' review.

Procedures for the presentation of financial statements and use of IT

Metroselskabet's Board of Directors has determined the overall procedures and controls for the most important areas relating to the presentation of the financial statements.

The current accounting instructions describe the organisation of accounting activities and the planning of accounting routines, including information on the distribution of responsibility and authority. This also includes the regulations that are to be observed by the employees engaged in accounting activities.

A reporting process has been established involving quarterly financial reporting and updates to the outlook for the year. In addition to the Profit and Loss Account, Balance Sheet, Cash Flow Statement, Statement of Changes in Equity and Notes, reporting includes a description of the current status of the operation of the Metro, the construction of M3 Cityring, M4 Nordhavn and M4 Sydhavn, and the company's financial circumstances.

The financing instructions define the framework for the handling of financial transactions, among other things to ensure the required risk profile. The IT security policy describes the overall use of IT, including security, back-up, etc.



Operation and maintenance

Metroselskabet must be in line with the modern world and reflect the society in which the company operates, and the demand for constant availability and maximum usability. Passengers must be able to trust that the Metro will always be available, with reliable, high-frequency operation around the clock. Passengers must experience how Metroselskabet efficiently addresses the capacity challenges with the least possible inconvenience to passengers and to operational stability.

The first months of operation of M3 Cityring

In the first three months after opening, operational stability was an average of 98.4 per cent, and during peak hours operational stability was 98.2 per cent. As a consequence of this operational stability, the Metro could interconnect Frederiksberg and districts of Copenhagen by ensuring stable and reliable operation. A total of 12.3 million passengers travelled by M3 Cityring during the first three months after opening. Of these, 3.2 million passengers changed between M1/M2 and M3 at Frederiksberg St. or Kongens Nytorv St. However, the first months' passenger numbers cannot be used to conclude whether the number of passengers on M3 Cityring meets expectations or not. Experience shows that customers are only slowly adapting to the new

opportunities offered by a new transport system. It will therefore only be possible after three to four years to draw any certain conclusions as to whether the M3 Cityring passenger numbers match expectations.

On the opening day, 127,000 passengers travelled on M3 Cityring from 15:00 until midnight. The Metro in operation, with the M1 and M2 lines, set a passenger record for a Sunday on the Metro at 167,000 passengers. Passenger numbers subsequently remained high, and in the first month after opening, 4.1 million people took the opportunity to travel on M3 Cityring. In October, the M1 and M2 Metro lines also set a passenger record, with 6.3 million passengers. The total number of passengers for the entire Metro thereby reached 10.4 million in the first month following the opening of M3 Cityring.

On the opening of M3 Cityring, a surcharge – called the quality surcharge – was introduced for Metro journeys. The surcharge is intended to be part of the financing of M3 Cityring and is part of the legal basis for M3 Cityring (DKK 1 extra on average per passenger). In 2019, a total surcharge of DKK 31 million was collected. This corresponds to DKK 1.1 on average per passenger. The calculation of the surcharge per passenger takes account of passengers who transfer between M1/M2 and M3.

Since the opening of M3 Cityring, customer satisfaction has been measured on an ongoing basis. The first indications show a high level of satisfaction among customers. The measurements show, among other things, that 98 per cent of customers are very satisfied or satisfied with their journey

There is close cooperation between Metro-selskabet and the operator Hitachi Rail STS in order to gather experience from operations, get to know the technical systems and optimise processes and procedures. This work will ensure consistent stable operations and that the customer experience is also of high quality.

Photo: Ditte Valente



Operation of M1 and M2

Operational stability (service availability ¹)

In 2019, the operational stability of M1 and M2 was an average of 99.2 per cent for the fourth consecutive year. Every month, except for one month in 2019, operational stability has exceeded the company's contractual objective of at least 98 per cent. In most of the months of the year, operational stability was even higher, and exceeded 99 per cent.

During peak hours, operational stability was 98.7 per cent. Peak-hour operational stability is 0.2 percentage points higher than last year, while operational stability outside peak hours is at the level of last year.

On days affected by major operational disruptions (operational stability below 98 per cent), Metroselskabet cooperates closely with the operator, Metro Service A/S, whereby incidents are analysed carefully in order to avoid repetitions and continuously improve operations.

Operational stability measures the number of trains arriving on time. Since the trains do not run according to a fixed timetable, at fixed times, but at fixed intervals, the calculation is made for all stations in both directions. At the end of each day, the operational stability is calculated as follows:

Metroselskabet attaches great importance to ensuring a good experience for passengers via high operational stability, in cooperation with the operations contractor, Metro Service A/S.

$$\text{Operational stability} = \frac{\text{scheduled departures} - \text{missed departures}}{\text{scheduled departures}}$$

¹ Service Availability is equivalent to operational stability. It indicates how many scheduled departures have run in accordance with the timetable. With Service Availability of 99 per cent, the Metro has run 99 per cent of the scheduled departures on time, while 1 per cent of the scheduled departures were delayed.

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The Metro's capacity during peak hours will already begin to be challenged on certain sections of M1/M2 in 2020 and will deteriorate significantly in the subsequent years.”

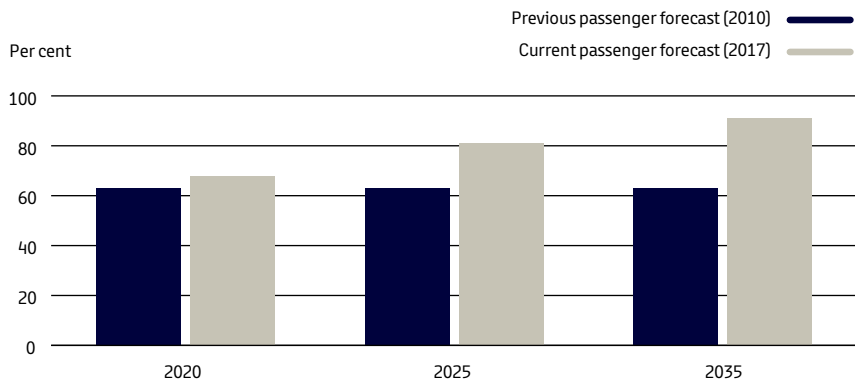
Customer satisfaction

Metroselskabet continuously surveys customers' satisfaction with the Metro. Customer satisfaction is measured concerning a number of aspects, covering everything from customers' satisfaction with the overall journey, punctuality, staff service and information, to cleaning and safety. The measurements show, among other things, that 97 per cent of M1 and M2 customers are very satisfied or satisfied with their journey. Satisfaction with the Metro was generally at a satisfactory level in 2019.

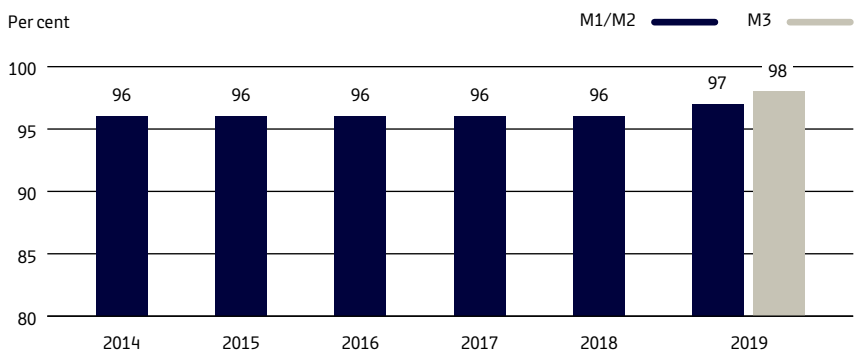
Capacity challenges

Greater Copenhagen's forecast development in the coming decades shows that there will be significant population growth and a substantial increase in Metro passenger numbers. Since the number of Metro passengers is expected to be higher than originally assumed, the Metro's capacity during peak hours will already begin to be challenged on certain sections of M1/M2 in 2020 and will deteriorate significantly in the following years.

New M1/M2 passengers



Development in degree of satisfaction with the journey from 2014 to 2019



“
**Improving the M1
 and M2’s capacity
 is a condition for
 maintaining the
 high level of service
 in the operation of
 the Metro.”**

In particular, the section of M1/M2 between Kongens Nytorv and Amagerbro/ Islands Brygge is expected to see strong growth in passenger numbers up to 2035. Capacity challenges for M3/M4 are not expected up to 2035, since these lines’ capacity is expected to be able to accommodate the expected increase in passenger numbers. The capacity challenge is thus concentrated on the stations bridging the port and on the branches across Amager. The opening of M3 Cityring will not reduce passenger numbers for these stations. If the capacity challenges are not addressed in time, this will mean that up to 1/3 of the Metro’s passengers will experience being left behind at the busiest stations during the morning rush hours and will thus have to wait for a later train. Improving the M1

and M2 capacity is a precondition for maintaining the high level of service in the operation of the Metro, including high operational stability and customer satisfaction, and for meeting the expected increase in passenger growth, which is also the basis for the company’s long-term finances.

Metroselskabet is working on capacity-enhancing measures as part of a larger investment programme for the M1 and M2 lines launched by the company in view of the fact that the company’s assets, including trains and operating systems, have reached an age that requires reinvestment in addition to the ordinary maintenance of the assets. In 2019, Metroselskabet worked on the following areas of the investment programme.

Passengers and section loads, 2025

Number of passengers at stations ● Number of passengers in the trains on the sections |||||

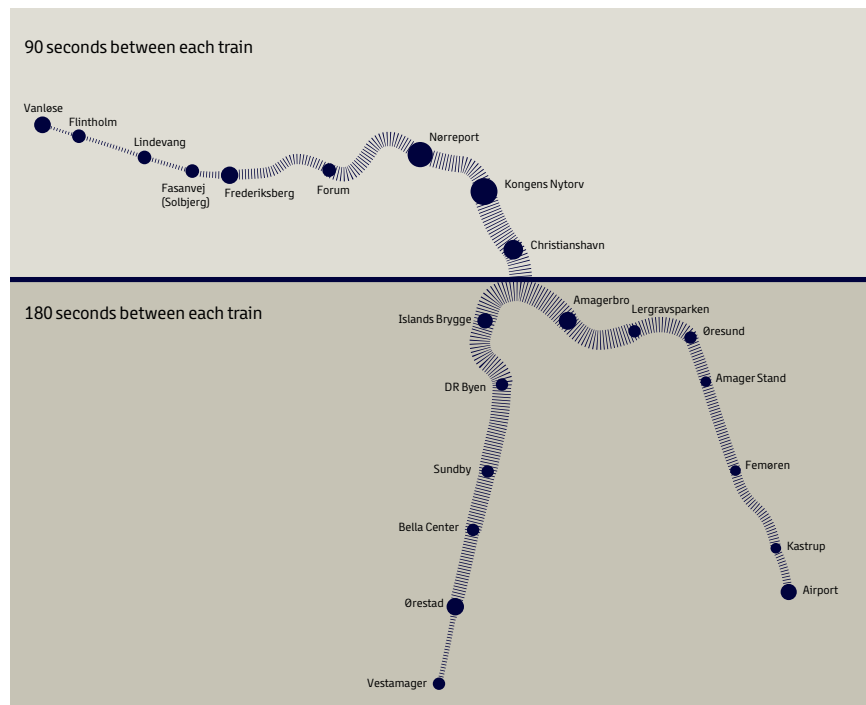




Photo: Ulrik Jantzen

31 trains in operation

In 2019, M1/M2's capacity in peak hours was increased as a consequence of the upgrading of the Metro's operating system's software at the end of 2018. Throughout 2019, M1/M2 operated 31 trains during peak hours, allowing more passengers to travel during peak hours than in 2018, when M1/M2 operated 30 trains during peak hours.

New information screens

In 2019, Metroselskabet set up new information screens for the benefit of customers. The new screens have been installed at all of the M1, M2 and M3 stations, so that customers can benefit from more accurate information and more user-friendly graphics. The new screens help to ensure a consistent customer experience on the first Metro lines, M1/M2, and the newest Metro line, M3 Cityring, which opened in 2019.

Production of eight new trains

Production of the eight new trains acquired by the company in 2018 made good progress in 2019 and the first of the new trains

is expected to be delivered in the spring of 2020. The new trains are expected to be commissioned in stages as from 2021, while the old trains will be taken out of operation temporarily, for extensive renovation in 2021 and up to 2025. The new trains will thus first enable the lifetime of the existing trains to be increased, without impairing operations, and will thereafter supplement the existing fleet, so that overall there will be more trains in operation and significantly increased capacity. This will accommodate the expected passenger growth within the next few years.

Optimising the Metro's behavioural design

Under the investment programme, in 2019 the work remained of identifying new ways of increasing capacity in both the short and long term by optimising the Metro's behavioural design. There is special focus on the trains and the most capacity-challenged stations, where it is sought to improve passenger flows and the customer experience. As a result, a number of tests were performed in 2019 concerning the location of



rejsekort pedestals, the announcement of stations and trains during peak hours, and a reduction of the number of hand straps on the trains.

Capacity challenges in the longer term

The capacity-improvement measures currently being considered by Metroselskabet will not be sufficient to resolve the long-term capacity challenges after 2035. It will be necessary to consider other and more cost-intensive solutions, including whether the deployment of four-carriage trains will increase capacity (the current fleet consists of three-carriage trains) and how the construction of a new Metro line across the port can reduce the pressure on the M1/M2 line.

Climate adjustment

As a consequence of climate change, the official forecasts for rising sea levels and weather effects have changed significantly in recent years. Climate change increases the risk of cloudbursts and storm surges more than previously assumed, thereby changing the design conditions for a high level of safety for the Metro.

So far, Metroselskabet's climate adjustment work has focused on the M1 and M2 lines, since as a consequence of climate changes the level of safety on these lines no longer corresponds to the original design level. The commissioning of M3 Cityring and the rapid development in the official climate change forecasts and projections make it relevant to extend the measures to include the M3 line and the future Metroinstallations, so that overall priority can be given to climate adjustment measures.

In overall terms, the necessary cloudburst protection has been implemented for the M1 and M2 lines, apart from one location (DR Byen), which is expected to be fully implemented in the last quarter of 2020. Once the cloudburst protection at the final location has been completed in 2020, the M1 and M2 lines will, as a minimum, be cloudburst-protected from a once in 2,000 years event today, and most locations will be protected from a once in 2,000 years event in 100 years' time.

Metroselskabet is also analysing how the company can protect the Metro from storm surges. The preliminary analyses show that storm surge protection of a Metro in operation entails high costs. The company assesses that further analysis is necessary of the current level of protection and the cost level for various technical solutions, as well as the interaction of the protection measures with climate adjustment measures elsewhere in the city.

Metroselskabet assesses that external protection of Greater Copenhagen is more appropriate in socioeconomic terms than protecting the Metro installations alone. The level of the measures necessary to protect the Metro is highly dependent on how it is decided to protect Greater Copenhagen in general. There may thus be great variation in the amount of investment needed, just as the time frame for protection of Greater Copenhagen in general is crucial for the need to protect the Metro.

Construction works

Metroselskabet is currently a major construction client, due to the scale and complexity of the company's construction portfolio. Even though projects are still ongoing, Metroselskabet must also be prepared for a decline in overall activity during the next few years, in step with the completion of Cityring. The company must also prepare for how the projects will be supported by digital tools to a far greater extent than before. Finally, as a strategic measure, in the coming years Metroselskabet will make a special effort to ensure a safe working environment at the construction sites, and to a far higher standard than today.

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In 2019, Metroselskabet worked intensively on the completion of M3 Cityring.”

In 2019, Metroselskabet had three major construction projects underway – M3 Cityring, M4 Nordhavn and M4 Sydhavn. Construction of the M3 Cityring line was completed in September 2019. In overall terms, the company has construction investments for DKK 38.8 billion in 2019 prices.

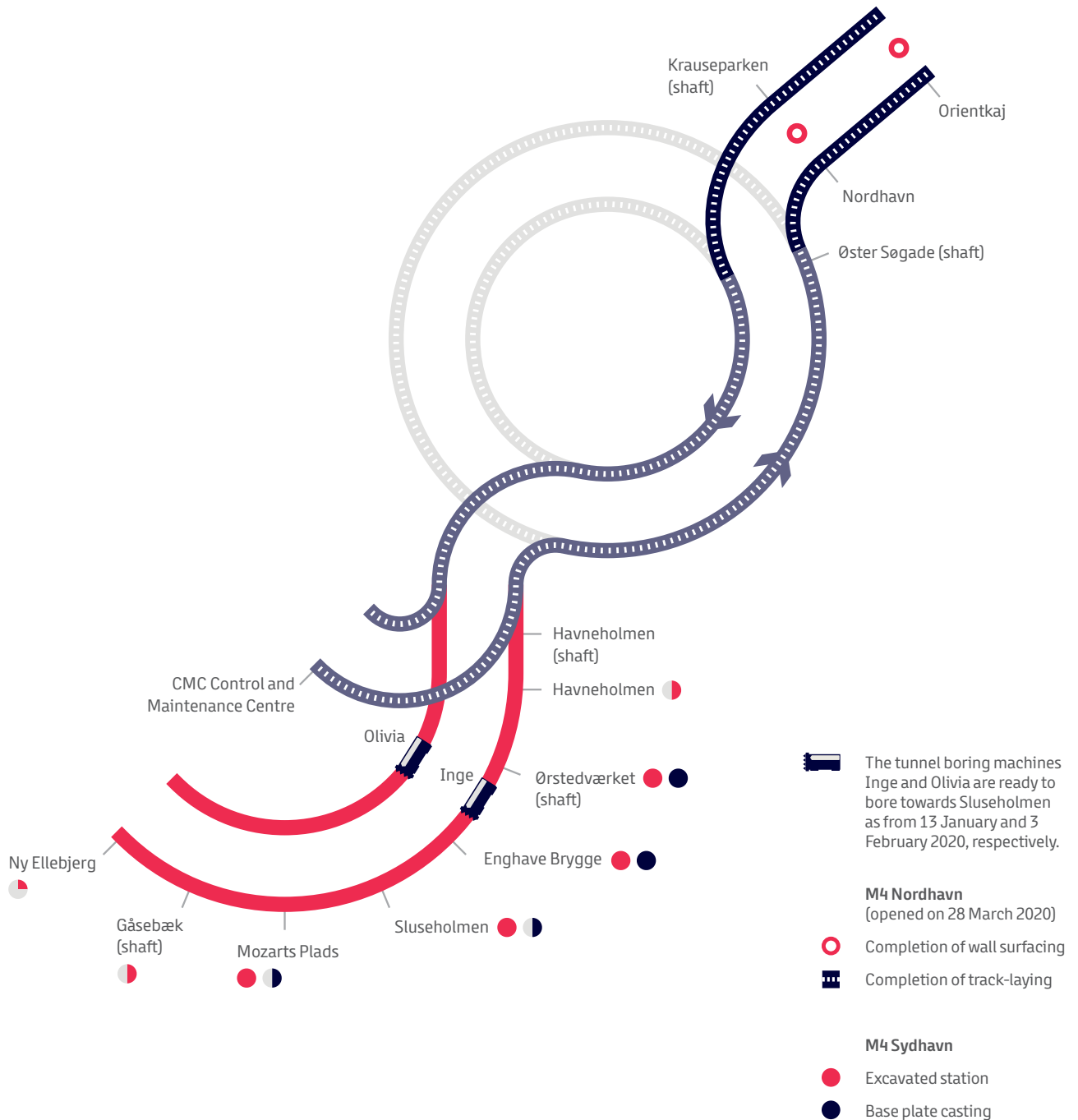
Completion and opening of M3 Cityring

In 2019, Metroselskabet worked intensively on the completion of M3 Cityring. In May 2019, the opening of M3 Cityring was postponed, and the company entered into an agreement with the contractors on a new timetable, whereby the opening was postponed for two months and scheduled to take place in September 2019. The technical trial operation was conducted in the

spring and subsequently the operational trial operation began in June. The trial operation was part of the basis for the safety approval of the M3 Cityring, which was achieved at the end of September 2019, after which M3 Cityring could open its doors to passengers. After M3 Cityring opened, there were still a number of deficiencies, such as vegetation around the stations, and the establishment of permanent solutions in the areas where a temporary solution is installed, such as transfer tunnels from the M3 line to S-train stations. The performance of this work is coordinated and prioritised in close cooperation with the operator, in order to ensure that the operation and customers' use of and the general public access to M3 Cityring are not affected, or at any rate only to a limited extent.

Status of M4 Nordhavn and M4 Sydhavn

31 December 2019





**M3 Cityring
opened on Sunday,
29 September 2019.
The event was
celebrated with
public events in
Copenhagen and
Frederiksberg.”**

The construction budget for M3 Cityring was adopted in 2010, without the addition of special reserves, and totalled DKK 21.3 billion in 2010 prices. During the construction period, it was necessary to increase the construction budget six times. The increases were due, among other things, to the fact that in 2014 the company entered into agreements with the contractors on a new time schedule in connection with the legislative change concerning disruptive noise during the construction phase. In addition, in 2017 the company achieved a settlement agreement with the contractor, and in 2019 the company reached agreement with the contractor to clarify a number of claims and additional works under the project.

Today, the construction budget totals DKK 23.6 billion in 2010 prices, equivalent to DKK 25.3 billion in 2019 prices. The construction budget for M3 Cityring has thus currently been increased by a total of 10.5 per cent since the owners' approval of the contracts established.

M3 Cityring opened on Sunday, 29 September 2019. The event was celebrated with public events in Copenhagen and Frederiksberg. Around 15–20,000 residents attended the opening event at Copenhagen's City Hall Square, and around 5,000 in Frederiksberg. The opening was attended by Her Majesty the Queen, as well as representatives of the political ownership, including the Prime Minister, the Minister for Transport, the Lord Mayor of Copenhagen and the Mayor of Frederiksberg.

It was decided to offer free transport throughout the Metro on the opening day, in order to support the objective of getting as many passengers as possible to take the Metro from its opening, and to thank residents for their patience during the construction work.

To support the company's expectations of a strong increase in passenger numbers in connection with the opening of M3-M4, the company has launched a focused commercial marketing campaign over a two-year period (2019–2020). In 2020, the M1-M4 lines are expected to have 121 million passengers. This is equivalent to growth of 54 per cent from 2019 to 2020.

The marketing campaigns aim to build awareness of and preference for the Metro, stimulate more travel and thereby change the travel behaviour of the Metro customers. Metroselskabet's commercial marketing campaign is developed according to a concept based on “Quickly moving forward” and is linked particularly to the opening of the M3 and M4 lines. The campaign was launched in 2019 and will continue until the end of 2020.

In parallel with the company's marketing campaign, there is important cooperation with DOT (Din Offentlige Transport) (Your Public Transport). The opening of M3 Cityring and Nyt Bynet has put focus on customers experiencing public transport that is cohesive and is continuously improved, to make it easier for customers to travel from A to B and ensure clear information about prices and products. With the opening of M3 Cityring, the journey time from Enghaveparken for a soccer match at Telia Parken (Denmark's national stadium) on a Sunday afternoon will be reduced by 10 minutes, from 35 minutes to 25 minutes.

For some years, the companies that are part of DOT have been working to make it easier for passengers to find public transport (wayfinding) and transfer opportunities, by implementing signage principles and installing a number of departure screens under DOT's auspices. With the DOT strategy for 2020–2022, the focus area of creating good transfers in public transport remains a priority, including in connection with the



opening of M3 Cityring and the related realignment of bus routes. This significantly improves public transport provision within DOT's area, but also brings new habits and more transfers for many customers in DOT's area. It is precisely in the transfer situation that DOT comes into its own and where the cooperation between the companies in DOT can create value for customers by offering a good customer journey across modes of transport. In the forthcoming strategy period, DOT will work on two development projects in particular within wayfinding and digital traffic information.

In this regard, for two weeks in January 2020 it was necessary to close M3 Cityring to passengers. During the period when the line was closed to passengers, Metro buses were deployed, which passengers were able to use instead. Metroselskabet focused on informing and assisting passengers as well as possible while M3 Cityring was closed.

Concurrently with the completion of the physical works and the performance of the necessary tests, the focus was on the safety approval of the systems, so that the M4 Nordhavn line could open in March 2020 as planned. At the end of 2019, the operator commenced staff recruitment and training.

Metro to Nordhavn

M4 Nordhavn

For most of 2019, the contractor focused on completion of the architectural work (the AF works) and the mechanical and electrical installations (M&E works). Parallel to this, the transport system contractor completed their installations and commenced trial runs of the section and the systems on the Nordhavn section. At the beginning of 2020, the transport system contractor will then test the full M4 Nordhavn line, including the section of Cityring that is shared with M3.

In view of the challenges related to how some neighbours have been able to hear M3 Cityring in operation, Metroselskabet accelerated the rail grinding on the M4 Nordhavn line as much as possible, with due consideration of the overall time schedule for the project.

M4 Nordhavn runs together with M3 Cityring on the section from Copenhagen Central Station through the City Centre to Østerport Station, after which M4 turns off and continues to the Nordhavn and Orientkaj stations.

Opening years for Metro lines:



Metro to Sydhavn

M4 Sydhavn

At the beginning of 2019, the last construction site was handed over to the contractor, which has since been in charge of the establishment of the construction site. Since then, the focus has been on establishing secant piles at all of the construction sites that have been handed over. The secant piles are part of the construction pit enclosure, which facilitates the excavations for the station box, and is therefore vital for the subsequent excavation activities. As a consequence of later design and regulatory approvals than planned, in early 2019 there was a slight delay in the establishment of secant piles.

Metroselskabet had special focus on the secant pile production for Ørsted Power Station/Enghave Brygge, as the tunnel boring machines are to start from this location. The company has managed to make up for most of the delay in the establishment of secant piles. The secant pile work had thus been completed at all construction sites by the end of October, after which the excavation of the station boxes began as the establishment of the secant piles was completed at the various construction sites. Furthermore, the excavation of the station box at Enghave Brygge and the shaft at the Ørsted Power Station were also completed in October 2019.

In mid-2019, Metroselskabet representatives performed an inspection of the two tunnel boring machines that are to bore the tunnels for the M4 Sydhavn line before the TBMs left the factory where the machines were built. The tunnel boring machines arrived in Denmark in November 2019, after which the assembly of the machines commenced. On 13 January 2020, the tunnel boring was started as planned.

Agreements have been entered into with Hitachi Rail STS on the operation and maintenance of the M4 Sydhavn line, together with mobilisation and trial operation. The mobilisation and trial operation agreement is part of the Transport System contract with Hitachi Rail STS concerning the M4 Sydhavn line. The agreement on the operation and maintenance of the M4 Sydhavn line is an addendum to the operation and maintenance contract for M3 Cityring.

M4 Sydhavn is an extension of the M4 line and runs from Orientkaj in the north, across the City Centre, and on to Sydhavn and Ny Ellebjerg. With the extension to Sydhavn, M4 will have a total of 13 stations, whereby M4 Sydhavn will add five stations to the line, extending from Havneholmen down across the new waterfront urban development areas to the older quarter at Mozarts Plads, and ending in the southern part of Valby at Ny Ellebjerg station, which will be a traffic hub. M4 Sydhavn is planned to open in 2024.





Safety on the Right Track

Metroselskabet wants everyone to be able to work safely without accidents.

We are responsible for everyone who works for us and we care about our colleagues. We are therefore absolutely dedicated to ensuring their safety.

To stay on the right track, we do the following:

- Appreciate people and their contributions, experience and cultural differences.
- Succeed through collaboration and partnership between Metroselskabet and contractors.
- Are eager to learn from good, as well as bad, experiences.
- Take the time and make the effort required to do things right the first time.
- Are trained, experienced and competent safety managers.
- Are personally responsible for everyone being able to go home from work every day without any accidents.



Safety on the Right Track

In 2019, Metroselskabet continued to work on the ambitious working environment strategy – Safety on the Right Track – launched by the company in 2018, which aims to create a fundamentally different safety culture within the company, as a culture in which safety is fully integrated into everything the company does. In 2019, intensive work took place on a number of activities to achieve this change of culture.

In particular, the company's Safety Academy became well-established, with a number of active courses. Around 850 employees both internally within Metroselskabet and at contractors and subcontractors working on the company's projects participated in the basic module, Safety Orientation. A large proportion of the company's employees and the contractors' construction management teams attended the Intervention Training course, and new modules are continuously being added.

In order to equip the company to lead the safety vision, 60 of the company's internal employees also took an extensive eight-day safety management training programme. In addition, a large number of the company's employees were specially trained to lead several of the Safety Academy courses.

Another, significant aspect of the strategy is a targeted effort to derive organisational learning from the accidents and incidents that occur during the company's projects. In 2019, the company thus made extensive efforts to establish competences and practice to be able to conduct better root cause analyses of incidents and accidents. This included the certification of a group of employees to use a recognised analysis tool, enabling the company to conduct the first in-depth studies.

Accident rate

The M3 Cityring construction project was completed in the autumn of 2019. Since the project's start in 2011, at the M3 Cityring's 23 construction sites there have been 574 accidents leading to absence from work, which is equivalent to an accident rate of 19.8. The accident rate has been below the national average for skilled workers every year, except for 2013. The total number of accidents has been excessively high, but the trend for M3 Cityring's accident rate has been positive, however, especially in recent years, and the accident rate for 2019 was thus 4.0. For comparison, the overall accident rate for the construction of M1 and M2 (stages 1+2) was 31.0, and in the last calendar year of the construction phase for M1 and M2 (stages 1 +2), the accident rate was 22.9.

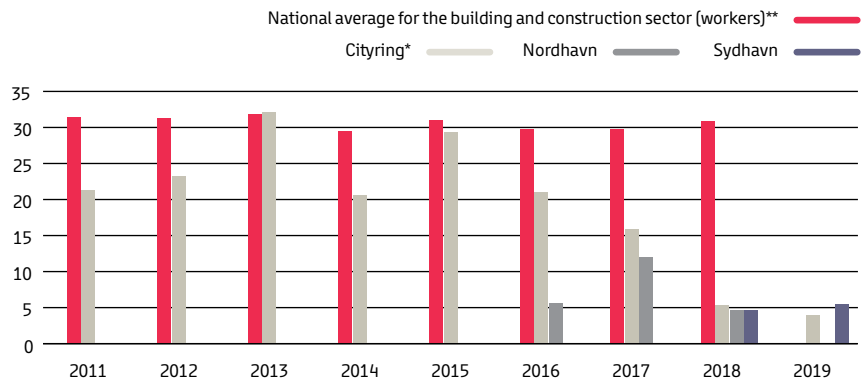
The Nordhavn project did not have any accidents with absence from work in 2019 and the annual accident rate for 2019 is 0. In total so far, the project has now had seven accidents with absence from work, which corresponds to an accumulated accident rate of 5.4.

The accident rate for the Sydhavn project was 5.5 in 2019, which reflects how there were four accidents with absence from work in 2019. Since the start of the Sydhavn project in February 2018, there have been a total of five accidents with absence from work at the project's six construction sites, which corresponds to an accident rate of 5.3. Compared to M3 Cityring's early construction phase, the Sydhavn project got off to a good start. M3 Cityring's accident rate was 25.1 at the same stage of the project. Metroselskabet believes, however, that all accidents can and must be avoided, so that the company continues to focus on the strategic initiatives under Safety on the Right Track.

Digitalisation

On its opening in 2002, with the driverless Metro the Metro set new standards for public transport. From the outset, the work on new technology has thus been part of the core business and the company's customer-facing services. This work is continuing, with a stronger focus on how digital procedures and new technological opportunities

Annual accident rates, 2011-2019



* The annual accident rate for Cityring in 2019 is calculated from January 2019 up to and including September 2019

** The national average for the building and construction sector is calculated by the Confederation of Danish Employers



In 2019, Metroselskabet's Board of Directors adopted a digitalisation strategy to increase the degree of digitalisation of the company's client function, infrastructure planning and operational tasks."

can optimise the business, the service to the customer, and the company's management of mega-size projects. In 2019, Metroselskabet's Board of Directors adopted a digitalisation strategy to increase the degree of digitalisation of the company's client function, infrastructure planning and operational tasks.

The digitalisation strategy includes a number of measures to ensure that the company applies the digital and new technological opportunities to project management, thereby ensuring smooth work processes and results of high quality. The aim of the measures is to ensure the general digital development of the company, including optimum IT and digitalisation support for Metroselskabet's current, and also future, business needs, in terms of construction, operation and administration.

On the basis of Metroselskabet's business strategy for 2018 to 2022, there is a wish to use digitalisation to meet the demands for an effective organisation that matches the scale of the company's portfolio of tasks, while meeting the surrounding world's high demand for digital cooperation. The objectives of the digitalisation strategy are ambitious and aim to create a basic digital foundation in the company at a high level.

The opening of M3 Cityring in September 2019, and the forthcoming opening of the M4 Nordhavn line in the first quarter of 2020, will increase the number of trains, stations, tracks, etc., so that the future maintenance and reinvestment requirement will also rise. Large and complex construction projects, including the M4 to Sydhavn in 2024 and the engineering design of the M5 to Lynetteholmen, also bring many actors and disciplines together during all phases of the project, from concept development and design to execution and operation. This makes high demands of communication

and the management of information and data, both over time and across disciplines.

The digitalisation strategy supports significant development potential in the company:

- Building Information Modelling (BIM), based on 3D modelling, is an effective working method throughout the life cycle of a construction project, from design to construction and operation. Going forward, Metroselskabet must be able to use BIM in the company's future construction projects.
- Increased digital support for Asset Management to ensure a full return on existing assets and meet the need to create better conditions for maintenance and reinvestment.
- As a utility line owner, before 2023 Metroselskabet must undertake the digitalisation of its own utility line data, in order to fulfil the statutory requirement concerning a duty of disclosure to the Utility Line Owner Register, which is reduced from five days to two hours. The purpose of the Utility Line Owner Register is to reduce the incidence of excavation damage to the buried supply lines.
- Digital upgrading of internal administrative workflows and data structures in order to increase the efficiency of case management, approval processes and other internal processes.

The work on the digitalisation initiatives takes place on a parallel basis, and the ambitious goals make high demands of the company, and its employees and partners. Metroselskabet has therefore created an interdisciplinary change management project which will mature the company for the changes that the digitalisation strategy will bring. In 2020, Metroselskabet will already begin to implement changes in the company in order to ensure that the digitalisation strategy's goals are achieved.

Cybersecurity

Increased digitalisation and increased cybersecurity go hand in hand. The Metro consists of a number of technical installations, many of which are digital, and may thus be exposed to cyber attacks. Operation of the Metro thus does not differ very much from other operating systems, which are subject to increasing digitalisation and thereby also an ever-increasing need to protect the installations from cyber attacks.

As a minimum, the security level of the Metro in operation must be maintained and the security level must remain capable of countering threats and attacks. Metroselskabet works with operators to ensure this and to navigate an increasingly more complex and rapidly evolving threat scenario. More activities and stronger action are therefore needed. In 2019, Metroselskabet therefore decided to allocate a pool in the 2020 budget, in order to achieve the increased activities and strengthen the company's organisation in relation to cyber security. The company is doing this in cooperation with the competent authorities, highly specialised experts, etc.

In overall terms, the company has three action areas: The Metro in operation and the systems that support this operation. The day-to-day measures to prevent cyberattacks are an integral element of the work of the operators contracted by Metroselskabet. Strengthening security measures will thus also be part of the cooperation with operators. Metroselskabet is also engaged in planning and designing the Metro of the future, and in this context, too, there is a need for greater focus on cyber security. Cyber security requirements of future components

and systems can be expected to be tightened. Finally, Metroselskabet undertakes day-to-day administration and thereby has the task of protecting Metroselskabet from cybercrime. During 2019, for example, the company experienced phishing attacks designed to target the company and also phishing attacks aimed at luring payouts from the company – called CEO fraud.

Going forward, initiatives will thus be directed at the systems already in operation and at the systems planned to be used in new Metros in the future, as well as the systems used in the company's administration.

Metroselskabet's cyber security work is based on the threat level and the threats assessed by the Centre for Cybersecurity (CFCS) to be the primary threats to the transport sector. CFCS assesses the cyber threat to Denmark to be high, and the Danish Defence Intelligence Service furthermore assesses that the threat picture is more difficult and unpredictable to navigate because it has become more complex and is changing more rapidly. The high threat to which Denmark is assessed to be subject seems to have become a basic condition which Metroselskabet and other companies need to take into account. CFCS continues to point to how the threat to companies such as Metroselskabet is greatest for cyber espionage and crime and lower for cyber activism and terrorism.

In 2019, Metroselskabet thus decided that it would increase its cyber security activities. A pool has been allocated in the 2020 budget to achieve the increased activities and strengthen the company's organisation in relation to cyber security.

Information - Touch Screen



Touch the screen



Metro to Lynetteholmen

In October 2018, the then government and the City of Copenhagen entered into an agreement in principle to build a new island, Lynetteholmen, in the Port of Copenhagen. A broad majority of the Folketing (Parliament) and the Copenhagen City Council subsequently approved the agreement, which the Municipality of Frederiksberg has also endorsed through its co-ownership of Metroselskabet.

The agreement states that, in time, Lynetteholmen could have around 2½-3 million square metres of residential and commercial construction, and could include homes for around 35,000 residents and an equivalent number of workplaces.

There is a lot of pressure on the housing market in Copenhagen. The urban development of Lynetteholmen could help to reduce the pressure and dampen the rising property prices. The island could also contribute to climate protection of Copenhagen against storm surges. Lynetteholmen will be developed as a sustainable residential and commercial district, with a focus on cycling and public transport based on a Metro service to the centre of Copenhagen.

The agreement includes that the revenue from the urban development of Lynetteholmen would contribute to financing the Metro service to the area and the establishment of the Eastern Ring Road.

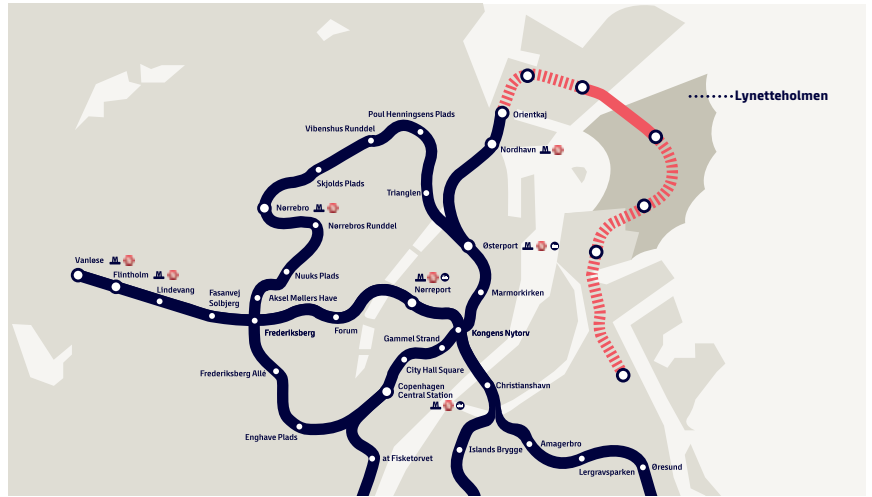
Since the end of 2018, Metroselskabet has worked on the preliminary study of the Metro service of the area. The preliminary study includes analyses of technical construction solutions, traffic model calculations and the expected construction costs for the project. The work is taking place in close cooperation with the owners, the Danish State represented by the Ministry of Transport and Housing, the City of Copenhagen and the Municipality of Frederiksberg, and By & Havn and the Danish Road Directorate.

During the first phase of the analysis work, a large number of alignments and concepts were investigated.

This work led to the selection of 3 alignments, which are investigated in the preliminary study's technical investigation, whereby construction elements, execution and construction methods, station locations, etc. are examined at a detailed level, while the economic calculations are assessed on the basis of a small capital reserve, due to the greater level of detail.

The three main proposals are presented on the next page. A key element of the investigation was to identify possible divisions of the lines into stages. It has been agreed with the project parties that the preliminary study will be concluded by the end of May 2020.

M4
Extension – Orientkaj – Kløvermarken



M5
Copenhagen Central Station – Østerport



M5 West
Prags Boulevard – Lynetteholmen



Business development

Metroselskabet will focus on its core activity, which is to construct, operate and maintain the Metro on a commercial basis. The company will develop its activities with new business areas that have a natural business affiliation to the Metro activities, if they can contribute positively to the company's finances.

“

When M4 Sydhavn opens in 2024, the station will be one of Denmark's largest railway hubs, serving the Metro and two S-train lines, as well as regional and long-distance trains.”

Today, Ny Ellebjerg St. is a station with great potential, but which also presents many challenges. As a customer, it is difficult to navigate between the station's many levels and platforms. When the M4 Sydhavn line opens in 2024, the station will become one of Denmark's largest railway hubs, with the Metro service, two S-train lines, and regional and long-distance trains.

Pursuant to the agreement of October 2016 between the Danish State, Frederiksberg Municipality and the City of Copenhagen to locate the Metro station at Ny Ellebjerg below ground level, Metroselskabet took the initiative for cooperation with the City of Copenhagen, DSB, Banedanmark, Sund & Bælt, Movia and Freja on the development of a modern joint station facility at Ny Ellebjerg.

Under the proposal, a centre will be established at the station, together with a hall from which passengers can easily find their way to the Metro, regional trains, the S-ring line and the Køge Bugt line. At the station, Banedanmark will later add platforms at the Øresund tracks for trains to Ørestad and the airport. In addition, good access conditions will be created from all parts of the station's catchment area. The facility will be prepared for subsequent construction across the station.

Metroselskabet is the client for the project and has therefore headed the construction of the first stage, which opened on 31 May 2019 in connection with the opening of the Copenhagen-Ringsted railway line. The facility will be able to open at the end of 2023 and is ready for Metroselskabet to open the M4 Sydhavn line in 2024.

The station is centrally located in one of Copenhagen's largest urban development areas, close to the former Vegetable Produce Market and the FL Smidth development area. In the longer term, the station has the potential to achieve passenger numbers at the level of Copenhagen Central Station.

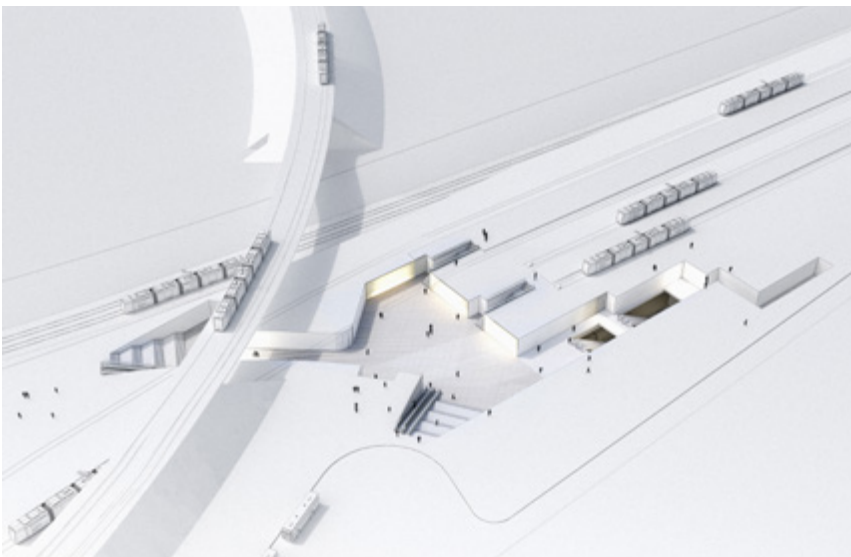
As part of the financing of Ny Ellebjerg Metro station as an underground station, on 13 December 2018 the Folketing adopted a bill that will allow Metroselskabet to develop the area at and around the station, including the air above the tracks.

Metroselskabet is thus in the process of investigating the opportunities to develop a small urban quarter in the railway areas in order to generate the required co-financing of the Metro station and also to create an urban quarter that can open up the area and increase mobility in the local area.

As the Metro network is expanded, Metroselskabet receives many enquiries from external parties wishing to cooperate with the company on projects that create physical integration with the company's facilities and/or areas. Therefore, in 2019, the company drew up principles for such collaboration, so as to ensure that the projects contribute to a better Metro line and city, and to the financing of the company's expenses related to the cooperation; and also to ensure a clear administrative basis for this collaboration, and thereby efficient case management.



Visualisation of the station centre with superstructure. Access to the Metro station is on the right side of the picture.



The new station complex at Ny Ellebjerg.

About Metroselskabet

Gender balance
in Metroselskabet

All employees

40%

Management

38%

Management Group with Directors

43%

Executive Management Group

60%

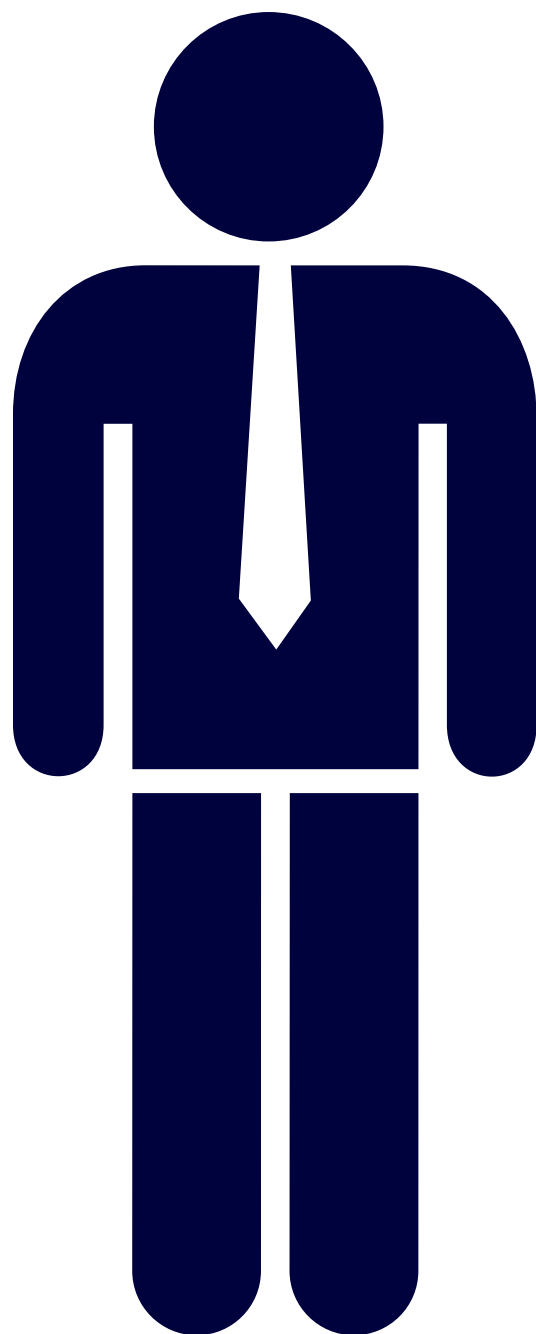


60%

62%

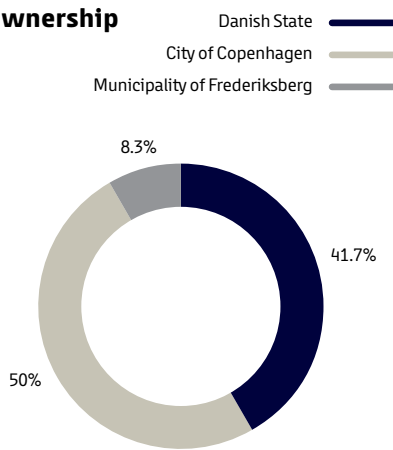
57%

40%



Ownership

Ownership



Metroselskabet was established as of 1 January 2007 pursuant to Act no. 551 of 6 June 2007 on Metroselskabet I/S and Arealudviklingsselskabet I/S. On its establishment, Metroselskabet took over the Metro activities of Ørestadsselskabet I/S and Frederiksbergbaneselskabet I/S, and Ørestadsselskabet I/S and Frederiksbergbaneselskabet I/S were therefore dissolved.

Metroselskabet thereby undertakes the operation and maintenance of the Metro in operation, as well as the construction of the coming Metro.

Metroselskabet's object is stated in the Act, in accordance with which Metroselskabet is to:

- undertake the engineering design and construction of Cityring as a Metro system;
- undertake the operation and maintenance of the overall Metro;
- hold public invitations to tender for the civil engineering works, as well as the operation and maintenance of the Metro;
- be operated on a commercial basis;
- make the necessary employees and other resources available to undertake Hovedstadens Letbane I/S' activities;
- operate other activities which have a natural business relation to the Metro activities;
- use the building permit for the railway area within the development area at Ny Ellebjerg Station and develop the area and undertake the required legal property ownership transactions, cf. Chapter 3 c of the Cityring Act;

- after the three owners' approval has been achieved, establish subsidiaries or acquire shares in other companies with limited liability in connection with the development of the area at Ny Ellebjerg Station; and
- enter into cooperation agreements, etc., in connection with the development of the area at Ny Ellebjerg Station, or commercially affiliated activities.

Metroselskabet is owned as a partnership by the City of Copenhagen, the Municipality of Frederiksberg and the Danish State, represented by the Ministry of Transport and Housing. The Board of Directors of Metroselskabet is the company's supreme authority, and is responsible for ensuring that Metroselskabet fulfils the objectives laid down in legislation.

The Board of Directors has nine members, who are appointed for a period of four years. The City of Copenhagen and the Danish State appoint three members each, while the City of Frederiksberg appoints one member and an alternate member. Besides the members appointed by the owners, the company's employees elect two members of the Board of Directors. In 2019, 11 meetings of the Board of Directors were held, as well as four and three meetings, respectively, of the Board of Directors' Risk Committee and Audit Committee, and one meeting of the Board of Directors' Remuneration Committee. In addition, three extraordinary Board meetings were held in 2019.

Billetter Tickets



Board of Directors of Metroselskabet

Jørn Neergaard Larsen
1949

As from 12 January 2017
Chairman of the Board of Directors
Chairman of the Risk Committee
Chairman of the Remuneration Committee

Appointed by the Danish State

Remuneration for 2019: DKK 461,134

Lars Weiss
1971

As from 1 January 2018
Vice Chairman of the Board of Directors
Member of the Risk Committee
Member of the Remuneration Committee

Appointed by the City of Copenhagen
Member of the Copenhagen City Council

Remuneration for 2019: DKK 342,100

Other offices held

- First Vice Chairman of the City Council of Copenhagen
- Member of the Finance Committee
- Member of the Technical and Environmental Committee

Jørgen Glenthøj
1955

As from 15 January 2009
Vice Chairman of the Board of Directors
Member of the Risk Committee
Member of the Audit Committee
Member of the Remuneration Committee

Appointed by the Municipality of Frederiksberg
Member of Frederiksberg Municipal Council

Remuneration for 2019: DKK 342,100

Other offices held

- Member of the Board of Directors of KOMBIT

Harald Børsting

1952

As from 1 April 2014
Board member

Appointed by the Danish State

Remuneration for 2019: DKK 130,042

Other offices held

- Board member of Refshaleøens Holding
- Board member of Refshaleøens Ejendomsselskab

Peter Jensen

1963

As from 1 January 2014
Board member

Elected by the employees of Metroselskabet
Operations engineer

Remuneration for 2019: DKK 130,042

Birgitte Brinch Madsen

1963

As from 1 April 2014
Board member
Chair of the Audit Committee
Member of the Remuneration Committee

Appointed by the Danish State
Director

Remuneration for 2019: DKK 220,042

Other offices held

- Chair of Oreco A/S
- Chair of RUM A/S
- Chair of Intech International A/S
- Board member of Holte District Heating
- Board member of Investeringsforeningen Danske Invest and related funds
- Board member of the North Sea Fund
- Board member of DEIF A/S
- Board member of John Wood plc.
- Board member of Arkil
- Board member of Hovedstadens Letbane

Ali Hansen

1960

As from 1 January 2018
Board member

Member of the Audit Committee

Appointed by the City of Copenhagen
Member of the Copenhagen City Council

Remuneration for 2019: DKK 160,042

Other offices held

- Member of the Health and Care Committee

Mimi Larsson

1975

As from 1 January 2018
Board member

Elected by the employees of Metroselskabet
Head Consultant

Remuneration for 2019: DKK 130,042

Fanny Broholm

1988

As from 1 January 2018
Board member

Appointed by the City of Copenhagen
Member of the Copenhagen City Council

Remuneration for 2019: DKK 130,042

Other offices held

- Member of the Technical and Environmental Committee
- Board member of CTR
- Group Chairperson of Alternativet Copenhagen

Flemming Brank

1957

Appointed by the City of Frederiksberg
Alternate member

Procedure for evaluation of the Board of Directors

Once a year, the Board of Directors of Metroselskabet evaluates the work of the Board of Directors. The evaluation is made without the participation of the Executive Management or the members of Metroselskabet's Board of Executives. Prior to the evaluation, an evaluation form is submitted, as the basis for the evaluation deliberations.

Attendance of meetings of the Board of Directors in 2019

	Board meetings 11 meetings	Audit Committee 3 meetings	Risk Committee 4 meetings	Remuneration Committee 1 meeting
Jørn Neergaard Larsen	11/11		4/4	1/1
Jørgen Glenthøj	11/11	2/3	4/4	1/1
Lars Weiss	10/11		3/4	1/1
Birgitte Brinch Madsen	11/11	3/3		1/1
Harald Børsting	10/11			
Ali Hansen*	11/11	3/3		
Fanny Broholm	7/11			
Peter Jensen	11/11			
Mimi Larsson	10/11			

Executive Management of Metroselskabet

Executive Management:

Henrik Plougmann Olsen
1968

CEO

Remuneration for 2019: DKK 2,956,290

Other offices held

- Board member of Rejsekort A/S
- Board member of Banebranchen
- Board member of DGI-byen
- Board member, University of Copenhagen and Member of the Employer Panel at IFSK (Department of Political Science and Government), University of Copenhagen

The Company's Executive Management is supported by a Board of Executives comprising:

Anne-Grethe Foss
1942

Director

Erik Skotting
1957

Director

Rebekka Nymark
1970

Director

Louise Høst
1977

Director

Metroselskabet's employees

Metroselskabet seeks actively to attract men and women on an equal basis to both managerial and other positions. The company had 332 employees as of the end of 2019. The overall gender distribution for all employees is 40 per cent women and 60 per cent men. Metroselskabet works with the universities and other educational institutions to offer student internships and practical training positions. Metroselskabet also offers access to relevant projects for project and thesis students. In 2019, Metroselskabet employed three trainees. The number of students employed is 16, and the company has nine employees in practical traineeships, equivalent to one semester, or a 20-week programme.

Of the five members of the Executive Management, 40 per cent are men and 60 per cent are women. The gender balance of the entire company's management, including the Executive Management Group, at the end of 2019 was 57 per cent men and 43 per cent women.

Metroselskabet's Board of Directors comprises 67 per cent men and 33 per cent women, including the representatives elected by the employees. The Board of Directors is nominated by the company's owners and employees.

At the close of the financial year, the company employed a staff of 332, compared to 339 in 2018. The employees handle the company's administration, manage the operation of the Metro and the construction of M3 Cityring, M4 Nordhavn and M4 Sydhavn, as well as the engineering design of the Light Rail in Ring 3 on behalf of Hovedstadens Letbane I/S. There are also around 120 advisers attached to – and often located at – Metroselskabet's head office, and around 95 more loosely affiliated advisers who work from elsewhere in Denmark and from various parts of the world.

Metroselskabet's employees have a wide range of educational backgrounds, as the company e.g. employs engineers in many different fields, land surveyors, geologists, architects and computer scientists, as well as a number of social sciences graduates. The company is a knowledge-intensive organisation which employs a large number of highly-specialised employees who are, for example, engaged in concrete works, tunnel design, tunnel work, electrical installations, station architecture and safety, as well as environmental and risk management.

Compliance testing of Metroselskabet

In 2019, Metroselskabet undertook extensive compliance testing of Metroselskabet's corporate documents and of the company's policies and strategies for social responsibility.

Corporate governance

Metroselskabet reviewed the documents which constitute Metroselskabet's corporate governance and on this basis performed a compliance test of these documents compared to the corporate governance requirements and recommendations in relation to the Danish State's 2015 ownership policy and the Recommendations on Corporate Governance from the Committee on Corporate Governance. The corporate documents were also reviewed in relation to the requirements in the City of Copenhagen's active ownership policy. The purpose of the compliance testing was to designate the areas in which there is scope for improvement.

The general conclusion of the compliance testing concerning good corporate governance was that the company's governance documents are in compliance.

Social responsibility

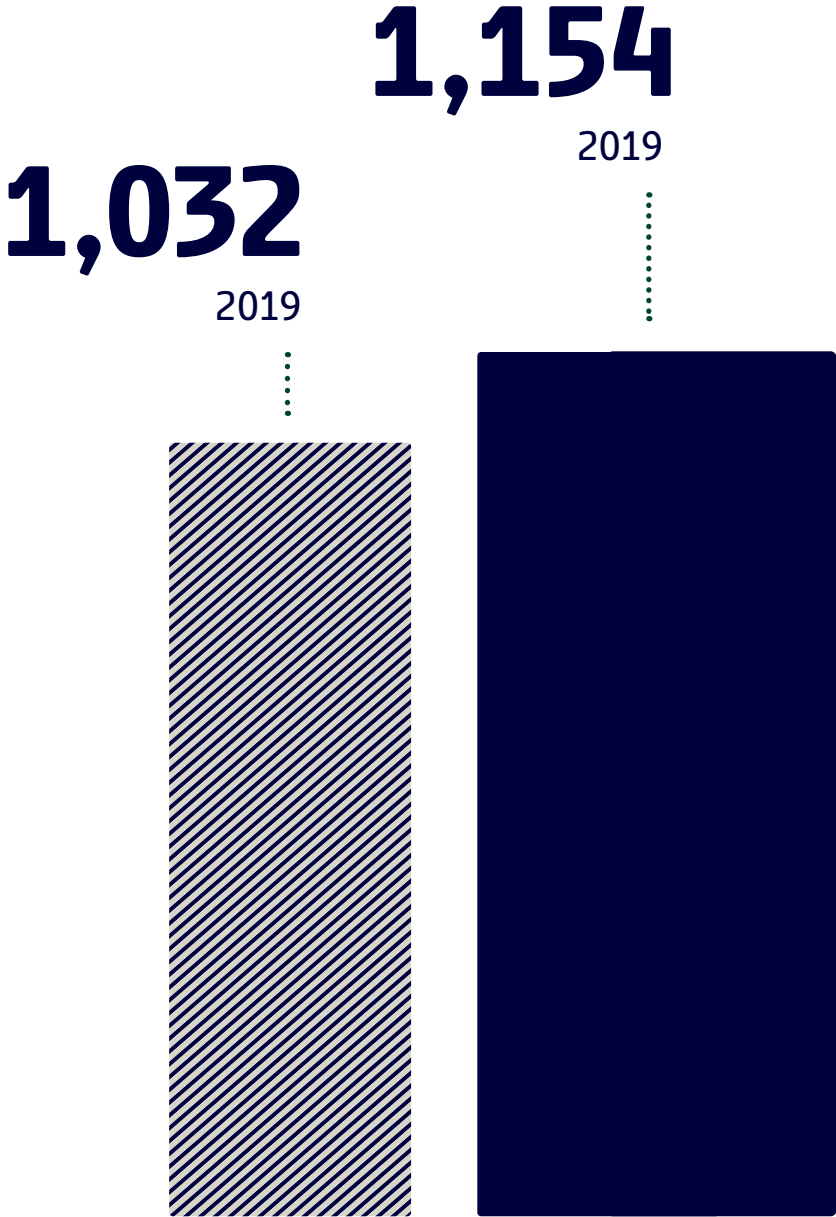
Metroselskabet has adopted the UN Global Compact and thus prepares an independent report on corporate social responsibility, separate from the management report, in a CSR Report that is submitted to the UN. Metroselskabet's corporate social responsibility report in accordance with Section 99a(7) of the Danish Financial Statements Act is also included in Metroselskabet's 2019 CSR report.

Metroselskabet's CSR report can be read here: m.dk/om-metroen/organisation/ekonomi-og-selskabsdokumenter/

Annual Accounts

Development in fare revenue

-  Budgeted fare revenue
-  Actual fare revenue



78.8 million

passengers in 2019

14.1 million

extra passengers



Accounting Policies 2019

Basis of accounting

The Annual Report for Metroselskabet I/S has been prepared in accordance with the stipulations of the Danish Financial Statements Act for class D enterprises. The requirements under the Danish Financial Statements Act concerning the Profit and Loss Account have been adjusted in order to better show how the results have been generated.

The accounting period is 1 January – 31 December 2019. The Annual Report is presented in DKK (thousands). The accounting policies applied are unchanged from the previous year.

General information on recognition and measurement

Assets are recorded in the Balance Sheet when it is probable that future economic benefits will accrue to the partnership, and the assets' value can be measured reliably.

Liabilities are recorded in the Balance Sheet when it is probable that future economic benefits will flow out of the partnership, and the liabilities' value can be measured reliably.

When first recorded, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each item.

When implementing recognition and measurement, predictable losses and risks arising prior to the presentation of the Annual Report, and which confirm or invalidate conditions that exist on the Balance Sheet date, are taken into account.

The Profit and Loss Account includes income as it is earned, while costs are recorded as the amounts relating to the financial year.

Value adjustment of financial assets and liabilities measured at fair value is also recorded in the Profit and Loss Account.

Foreign currency translation

When first recorded, transactions involving foreign currency are translated at the exchange rate as of the transaction date. Accounts receivable, debts and other monetary items in foreign currency that have not been settled on the Balance Sheet date are translated at the exchange rate as of the Balance Sheet date. Exchange rate differences arising between the exchange rate as of the transaction date and the rate on the payment date or Balance Sheet date, respectively, are recorded as financial items in the Profit and Loss Account. Fixed assets purchased in foreign currency are recorded at historical exchange rates.

Derivative financial instruments

Derivative financial instruments are measured at cost when first recorded in the Balance Sheet, and subsequently at fair value. Derivative financial instruments are recorded under other accounts receivable and other liabilities, respectively.

Any changes in the fair value of derivative financial instruments that are classified as and fulfil the conditions for the hedging of the fair value of a recorded asset or liability are recorded in the Profit and Loss Account together with changes in the value of the hedged asset or liability.

For derivative financial instruments that do not fulfil the conditions for treatment as hedging instruments, the changes in fair value are reported in the Profit and Loss Account on an ongoing basis as financial items.

Other operating income includes revenue from the administration and handling of the Client organisation for Greater Copenhagen Light Rail, sale of advisory services, lease of work sites, and minor revenue from e.g. leases.

Metro operating expenses

The Metro's operating expenses include expenses for the operations contractor, the partnership's costs of contract management, etc., and other costs for maintaining the operation of the Metro.

Staff costs

Staff costs include fees, wages and salaries and other staff costs for the Board of Directors, management, administrative and technical staff.

Other external costs

Other external costs include administration costs, including office supplies, etc.

Profit and Loss Account

Income

The Metro's fare revenue, which includes payments from the joint fare system in Greater Copenhagen, is recorded as the service is delivered, i.e. based on the number of passengers.

The Metro's operating income, which includes income from leasing out the Metro, as well as advertising revenue, etc. relating to the Metro, is recorded as the services are supplied.

The value of own work includes the staff costs and other costs for the year, which may be attributed to construction of the Metro on the basis of an estimate. The amount is included in the cost of construction of the Metro.

Financial items and market value adjustment

Financial items include interest and realised and non-realised exchange rate adjustments, as well as value adjustments of the partnership's loans, investments and derivative financial instruments, measured at fair value.

Corporate tax

The partnership is not liable to pay corporate tax.

Balance Sheet

Tangible fixed assets

Construction of the Metro

Facilities under construction, comprising the construction of the Metro, are measured as costs incurred for preliminary studies, project design and construction, as well as the value of own work, until the date that the asset is ready for use. The Metro is not subject to depreciation during construction, but write-downs are made in relation to the recoverable value, cf. the section on the valuation of fixed assets.

Metro in operation

The Metro in operation is measured at cost less actual depreciation and write-downs. The cost price is equivalent to the current value as of 1 January 2007 (opening balance), with the addition of subsequent investments. The current value has been calculated as the future cash flows (recoverable value).

The basis for depreciation, which is calculated at cost, is distributed linearly on the assets' expected service life. The Metro in operation has been divided into component parts with uniform service lives, constituting:

Tunnel and shell of subterranean stations	100 years
Other permanent facilities	50 years
Rolling stock, mechanical and electrical installations	25 years
Other technical installations	10 years
Minor plant components	3 years

The scrap value has been set at zero, taking the expected service lives into account.

Depreciation methods and service lives are reassessed annually and amended in the event of any significant change.

Substantial future investments are regarded as separate component parts and are depreciated over the expected service life.

Buildings, operating equipment and fixtures and fittings

Buildings, operating equipment and fixtures and fittings are measured at cost less actual depreciation and write-downs. Cost includes the acquisition sum and costs directly associated with the acquisition. The basis for depreciation, which is calculated at cost less the scrap value, is distributed linearly on the assets' expected service lives, as follows:

IT equipment	3 years
Fixtures and fittings and operating equipment in general	5 years
Temporary office buildings	15 years

Residual value and service lives are reassessed annually and amended in the event of any significant changes.

Gains and losses on the sale of tangible fixed assets are calculated as the difference between the sales price less selling costs and the book value at the time of the sale. Profit or loss is recognised in the Profit and Loss Account.

Valuation of fixed assets

The book value of fixed assets is reviewed annually in order to determine whether there is any indication of impairment over and above that expressed by depreciation. If so, an impairment test is made to determine whether the recoverable amount

is lower than the book value, and write-down to this lower recoverable value is implemented.

The recoverable value is either the net sales price less sales costs or the capital value, whichever is higher. On the calculation of the recoverable value, the estimated future cash flows are discounted back to present value.

The recoverable value is measured on an overall basis for related assets comprising both plant in the course of construction and plant in operation, as this plant will constitute one overall cash-flow generating unit. The write-down is recorded in the Profit and Loss Account.

Financial fixed assets

Participating interests

Participating interests recorded under financial fixed assets – which do not include listed shares – are measured at cost price. Participating interests are written down to recoverable value if this is lower than book value.

Receivables

Accounts receivable under financial fixed assets are recorded at amortised cost, which is in principle equivalent to face value. Write-down is undertaken to meet expected losses.

Current assets

Properties

Properties are measured at cost price.

Accounts receivable

Accounts receivable are recorded in the Balance Sheet at amortised cost, which is basically equivalent to face value. Write-down is undertaken to meet expected losses.

Securities

Securities recorded under current assets comprise listed bonds, which are measured at fair value on the Balance Sheet date.

Liquid resources

Liquid resources include cash and deposits, short-term bank deposits and securities, with a remaining life at the time of acquisition of less than 3 months and which can readily be converted into cash equivalents, and for which there is only a slight risk of changes in value.

Long-term debt

Long-term debt is measured at cost at the time of raising the loans, equivalent to the proceeds received less transaction costs defrayed. The debt is subsequently measured at amortised cost, unless the fair value of the debt is hedged.

Debts that are hedged for changes in fair value, and for which the effectiveness of this hedging can be documented, are subsequently measured at fair value. Changes in fair value are recorded in the Profit and Loss Account under market value adjustment, together with changes in the fair value of the hedging instruments.

The short-term element of the long-term debt is recorded under repayment of long-term debt commitments.

Other financial liabilities

Other financial liabilities, which include bank loans, trade creditors and other debt, are measured at amortised cost, which is usually equivalent to nominal value.

Cash Flow Statement

The Cash Flow Statement shows cash flows relating to operations, investments and financing, as well as the partnership's available funds at the beginning and end of the year.

Cash flows relating to operating activities are stated according to the indirect method, compiled as the operating result adjusted for non-cash operating items and the change in receivables and debt relating to the operating activity.



Cash flows relating to investment activities include payments in connection with the construction of the Metro and investments in securities.

Cash flows relating to financing activities include changes in receivables and debt concerning the financing activity, as well as net financing costs.

Available funds include liquid resources and short-term securities.

Segment reporting

Information is provided on business segments (primary segment). The partnership solely conducts commercial activities in Denmark. The segment reporting adheres to the partnership's internal financial management, cf. Note 19.

Profit and Loss Account

Profit and Loss Account for the period 1 January – 31 December 2019

All figures in DKK thousands	Note	2019	2018
Income			
Metro fare revenue	1	1,154,233	890,635
Metro operating income	1	519,680	359,589
Value of own work		218,759	207,380
Other operating income	2	52,310	34,822
Total income		1,944,982	1,492,426
Expenses			
Metro operating expenses	1	-1,212,019	-933,085
Staff costs	3	-247,034	-233,932
Other external costs		-50,401	-33,499
Total expenses		-1,509,454	-1,200,516
Result before depreciation and write-downs		435,527	291,910
Depreciation	4	-303,175	-164,152
Write-downs	4	-213,257	-665
Reversal of write-down	4	0	379,816
Total depreciation and write-downs		-516,432	214,999
Result before financial items		-80,905	506,909
Financial items			
Financial income	5	262,148	253,764
Financial expenses	5	-587,624	-576,258
Total financial items		-325,476	-322,494
Result before market value adjustment		-406,381	184,415
Market value adjustment	5	-2,174,885	-142,681
Result for the year		-2,581,266	41,734

Balance Sheet

Assets as at 31 December 2019

All figures in DKK thousands	Note	2019	2018
Fixed assets			
Tangible fixed assets			
Construction of the Metro	6	3,686,522	16,683,263
Metro in operation	7	20,512,980	4,408,407
Buildings	8	44,188	51,711
Operating equipment and fixtures and fittings	8	0	36
Total tangible fixed assets		24,243,691	21,143,417
Financial fixed assets			
Other participating interests	9	23,102	22,983
Receivables	10	2,017,503	1,432,085
Derivative financial instruments	11	4,146,641	2,699,745
Total financial fixed assets		6,187,247	4,154,813
Total fixed assets		30,430,938	25,298,230
Current assets			
Properties	12	5,935	5,935
Receivables	13	1,120,851	1,055,642
Owner contributions	14	375,191	372,640
Securities	15	6,660,309	3,647,933
Liquid resources	15	177,607	0
Total current assets		8,339,892	5,082,150
Total assets		38,770,830	30,380,380

Liabilities as at 31 December 2019

All figures in DKK thousands	Note	2019	2018
Equity			
Start of the year		-1,007,107	-1,494,768
Additions for the year		-2,340,266	487,661
Total equity		-3,347,373	-1,007,107
Long-term debt			
Long-term debt	16	28,726,656	21,820,161
Derivative financial instruments	16	8,828,290	5,876,088
Total long-term debt		37,554,946	27,696,249
Short-term debt			
Short-term element of long-term debt	16	3,832,471	2,651,405
Bank loans		0	150,304
Trade creditors		291,859	485,105
Prepaid customers	17	65,905	49,590
Other debt	18	373,023	354,834
Total short-term debt		4,563,257	3,691,238
Total debt		42,118,203	31,387,487
Total liabilities		38,770,830	30,380,380
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Statement of Changes in Equity

All figures in DKK thousands	Contributions concerning the existing Metro	Owner contributions	Earnings carried forward before MVA	Equity excluding MVA	Market value adjustment (MVA)	Total
Start of the year 2018	660,857	15,543,580	-12,989,053	3,215,384	-4,710,150	-1,494,768
Participating interests	0	445,928	0	445,928	0	445,928
Result for the year carried forward	0	0	184,415	184,415	-142,681	41,734
Start of the year 2019	660,857	15,989,508	-12,804,638	3,845,726	-4,852,831	-1,007,107
Participating interests	0	241,000	0	241,000	0	241,000
Result for the year carried forward	0	0	-406,381	-406,381	-2,174,885	-2,581,266
End of the year	660,857	16,230,508	-13,211,019	3,680,345	-7,027,715	-3,347,373

The last five years' capital contributions can be specified as follows:

All figures in DKK thousands	2019	2018	2017	2016	2015
Start of the year	15,989,508	15,543,580	15,543,580	15,543,580	12,027,580
Capital augmentation	241,000	445,928	0	0	3,516,000
End of the year	16,230,508	15,989,508	15,543,580	15,543,580	15,543,580

In 2015, the Danish State, represented by the Minister for Transport, and the City of Copenhagen contributed capital of DKK 3,516 million to the company. The contribution was made in connection with the establishment of the agreement to construct a branch from Cityring to Ny Ellebjerg via Sydhavn.

In 2016, the Danish State, represented by the Minister for Transport, and the City of Copenhagen and the Municipality of Frederiksberg entered into an agreement on the financing of a subterranean Metro station at Ny Ellebjerg. The owner contribution of DKK 446 million in 2018 was transferred to capital contributions in connection with the establishment of the major construction contracts for the Sydhavn Metro in March 2018.

In 2019, the Danish State, represented by the Minister for Transport, and the City of Copenhagen released a 10 per cent share of the correction reserve concerning the Sydhavn branch. The released share of the correction reserve was thus transferred to capital contributions in 2019.

The owners' total capital contribution is DKK 16.2 billion. The investment budgets for Cityring, Nordhavn and Sydhavn total DKK 38.8 billion.

Metroselskabet is a partnership in which the owners are 100 per cent liable for the company. Any negative equity capital in the company does not entail any need for further contributions from the owners, since Metroselskabet can still service its debt as planned.

Cash Flow Statement

All figures in DKK thousands	Note	2019	2018
Cash flows from operating activities			
Metro fare revenue		1,154,233	890,635
Metro operating income		519,680	359,589
Other operating income		52,310	34,822
Metro operating expenses		-1,212,019	-933,085
Staff costs		-247,034	-233,932
Other external costs		-50,401	-33,499
Change in accounts receivable		71,160	-106,036
Change in trade creditors		-193,246	328,594
Total cash flows from operating activities		94,682	307,088
Cash flows from investment activities			
Investment in the construction of the Metro	27	-3,397,408	-3,184,445
Investment in securities (excluding market value adjustment)		-2,989,044	-271,436
Total cash flows from investment activities		-6,386,452	-3,455,881
Cash flows from financing activities			
Loans raised, net (excluding market value adjustment)		7,510,960	4,414,960
Contributions from owners		241,000	445,927
Change in receivables from financing activities		-724,995	-1,445,364
Other debt		34,503	31,414
Net financing expenses (excluding value adjustment)		-441,787	-420,824
Total cash flows from financing activities		6,619,681	3,026,113
Change in available funds		327,910	-122,680
Available funds, start of the year		-150,304	-27,623
Available funds, end of the year		177,606	-150,304

The Cash Flow Statement cannot be derived directly from the other elements of the Annual Accounts.

Notes

Note 1 Operating result for the Metro in operation

All figures in DKK thousands	2019	2018
Metro fare revenue	1,154,233	890,635
Metro operating income		
Leasing out of the Metro	519,344	358,968
Other income	336	621
Total Metro operating income	519,680	359,589
Other operating income	5,160	4,713
Total income	1,679,072	1,254,937
Metro operating expenses		
Payment for operations	-1,154,233	-890,635
Contract management, etc.	-48,127	-37,527
Other expenses	-9,660	-4,923
Total Metro operating expenses	-1,212,019	-933,085
Administration costs	-31,502	-29,949
Total expenses	-1,243,521	-963,034
Result before depreciation	435,551	291,903
Depreciation	-303,175	-164,152
Write-downs (Rejsekort)	-539	-665
Result before financial items	131,837	127,086

Cf. segment reporting in Note 19.

The partnership has outsourced the operation of the Metro. The lease payment depends on the overall operating result for the Metro. In 2019, the Metro had 78.8 million passengers (64.7 million in 2018). The fare revenue in 2019 is based on average passenger revenue of DKK 14.01 (DKK 13.22 in 2018).

Note 2 Other operating income

Other operating income comprises income from the administration and handling of the client organisation for Hovedstadens Letbane I/S of DKK 47.1 million (DKK 30 million in 2018), sale of advisory services, lease of workplaces and minor income from e.g. leases.

Note 3 Staff costs

All figures in DKK thousands	2019	2018
Wages, salaries and emoluments	200,164	190,614
Pension commitments	32,557	30,315
Social security contributions	7,358	6,044
Other staff costs	6,955	6,959
Total staff costs	247,034	233,932
Of which:		
Salaries for the Executive Management	2,405	2,360
Other payments to the Executive Management	183	215
Pensions for the Executive Management	421	413
Emoluments for the Board of Directors	2,046	2,006
Average number of employees (full-time equivalents – 1,924 hours)	326	315
Employees at the end of the year (number)	332	338

Other payments include bonus payments for the Executive Management, which amount to up to 10 per cent of the ordinary salary. Bonus payments in 2019 concern the achievement of target results for 2018. The bonus payment targets are fixed once a year by the company's Remuneration Committee and will cover the following financial year. The bonus payment is paid out once a year after consideration by the Remuneration Committee.

The term of notice is six months for the Executive Management. In addition, a severance payment amounting to 12 months' salary has been agreed for the Executive Management, if the severance is not due to breach of contract by the executive director. Severance payments are made at the end of the notice period.

In addition, a member of the Executive Management has free newspapers, a free landline, free mobile phone, free home Internet connection and tablet computer.

The remuneration of the Board of Directors includes the remuneration of the Audit Committee and the Risk Committee.

Note 4 Depreciation and write-downs

All figures in DKK thousands	2019	2018
Depreciation, Metro in operation	295,617	156,541
Depreciation, buildings, operating equipment and fixtures and fittings	7,558	7,612
Write-down/reversal of depreciation, construction of the Metro	212,718	-379,816
Write-down	539	665
Total depreciation and write-downs	516,432	-214,999

Note 5 Financial items and market value adjustment

All figures in DKK thousands	2019	2018
Financial income		
Interest income from accounts receivable	118	29,646
Interest income from liquid resources, securities and financial instruments, etc.	257,291	214,133
Exchange rate adjustment	4,740	9,986
Total financial income	262,148	253,764
Financial expenses		
Interest expenses	-587,624	-576,258
Total financial expenses	-587,624	-576,258
Total financial items	-325,476	-322,494
Total market value adjustment	-2,174,885	-142,681

The market value adjustment can be attributed primarily to the company's financial agreements on the hedging of interest rates that are concluded in order to increase the budget certainty of the company's long-term finances. The market value adjustment depends on the development in interest rates and is solely an item registered in the accounts without any impact on liquidity, since the loans are held until maturity.

The accounting exposure concerning the market value adjustment can be expressed as a basis point value (BPV). With the company's current financial portfolio (swap), BPV is DKK 44 million, which means that a decrease in the level of interest rates by 1 per cent would entail an increase in the market value adjustment, and thereby a decrease in the result, of DKK 4.4 billion. In the same way, an increase in the level of interest rates by 1 per cent would improve the result by DKK 4.4 billion.

The change in the market value adjustment from 2018 to 2019 is due to the decrease in the level of interest rates in that period.

Note 6 Construction of the Metro

All figures in DKK thousands	Metro in operation	Ongoing construction works	Total
Acquisition sum			
Start of the year	249,944	27,728,733	27,978,677
Additions for the year	98,063	3,518,104	3,616,167
Transferred to the Metro in operation	-66,740	-25,595,278	-25,662,018
End of the year	281,268	5,651,559	5,932,827
Write-downs and revaluation			
Start of the year	0	-11,295,413	-11,295,413
Depreciation for the year	0	-212,718	-212,718
Write-downs transferred to the Metro in operation	0	9,261,827	9,261,827
End of the year	0	-2,246,304	-2,246,304
Net book value at the beginning of the year	249,944	16,433,320	16,683,263
Net book value at the end of the year	281,268	3,405,255	3,686,522
Recoverable value, 31.12.2019			24,199,503
Net book value of the Metro in operation, 31.12.2019, cf. Note 7			20,512,981
Acquisition sum 31.12.2019			5,932,827
Write-downs 01.01.2019			-11,295,413
Write-downs transferred to the Metro in operation			9,261,827
Net book value of the construction of the Metro before adjustment			24,412,222
Write-downs for the year			-212,718

The calculation of the recoverable value is measured overall for the Metro in operation and the construction of the Metro, as they will constitute one overall cash-generating unit, once all stages are in operation.

The recoverable value of the overall Metro is lower than the book value, so that a write-down has been made. The write-downs for the year are recognised in the Profit and Loss Account.

The recoverable value is calculated on the basis of the incorporated future expectations in the company's long-term budget. This includes the application of an average real interest rate of 2.4 per cent in the first 20 years, increasing to 4 per cent in the longer term. The rate of interest applied to the calculation exceeds the current level of interest rates in the market, as an interest supplement is included. The use of a lower current market interest rate would increase the stated recoverable value and thereby improve the result for the year. For illustration, the use of a 1-per-cent lower interest rate in the first 20 years would mean that the recoverable value, and thereby the result for the year, would be DKK 4.9 billion higher. On the other hand, the use of a 1-per-cent higher interest rate in this period would have led to a result that was DKK 4.2 billion lower.

Note 7 Metro in operation

All figures in DKK thousands	Tunnel and shell of underground stations	Other fixed facilities	Rolling stock, etc.	Other technical installations	Minor plant components	Total
Acquisition sum						
Start of the year	2,819,144	1,564,310	1,507,508	521,221	0	6,412,183
Additions for the year	11,396,977	6,086,737	6,381,585	1,074,028	722,691	25,662,018
Disposals for the year	0	0	0	-61,777	0	-61,777
End of the year	14,216,121	7,651,047	7,889,093	1,533,472	722,691	32,012,424
Depreciation and write-downs						
Start of the year	-341,119	-404,463	-855,394	-402,799	0	-2,003,776
Depreciation for the year	-47,711	-53,306	-112,282	-43,886	-38,432	-295,617
Disposals, depreciation for the year	0	0	0	61,777	0	61,777
Write-downs transferred from the construction of the Metro	-4,124,074	-2,202,528	-2,309,220	-364,494	-261,511	-9,261,827
End of the year	-4,512,904	-2,660,297	-3,276,897	-749,402	-299,942	-11,499,442
Net book value at the beginning of the year	2,478,024	1,159,847	652,114	118,421	0	4,408,407
Net book value at the end of the year	9,703,216	4,990,750	4,612,197	784,070	422,747	20,512,981

Note 8 Buildings, operating equipment and fixtures and fittings

All figures in DKK thousands	Operating equip- ment and fixtures and fittings	Temporary office buildings	Total
Acquisition sum			
Start of the year	2,026	112,742	114,768
Additions for the year	0	0	0
Disposals for the year	-182	0	-182
End of the year	1,844	112,742	114,586
Depreciation			
Start of the year	-1,991	-61,031	-63,022
Depreciation for the year	-36	-7,522	-7,558
Depreciation, disposals	182	0	182
End of the year	-1,844	-68,553	-70,398
Net book value at the beginning of the year	36	51,711	51,746
Net book value at the end of the year	0	44,188	44,188

Note 9 Other participating interests

All figures in DKK thousands	Rejsekort og Rejseplan A/S	Rejse- planen A/S	DOT I/S	Total
Acquisition sum				
Start of the year	67,137	328	300	67,765
Additions for the year	986	0	0	986
Disposals for the year	0	-328	0	-328
End of the year	68,123	0	300	68,423
Depreciation and write-downs				
Start of the year	-44,781	0	0	-44,781
Write-down	-539	0	0	-539
End of the year	-45,320	0	0	-45,320
Net book value at the beginning of the year	22,355	328	300	22,983
Net book value at the end of the year	22,802	0	300	23,102
Name	Domicile	Interest	Capital	
Rejsekort og Rejseplan A/S	Gladsaxe	7.16%	121,960,400	
DOT I/S	Valby	33.3%	900,000	

As of 1 January 2019, Rejseplanen A/S merged with Rejsekort A/S. The continuing company is Rejsekort og Rejseplan A/S.

The partnership's shares in Rejsekort og Rejseplan A/S are stated at fair value. The fair value is determined as the present value of the expected cash flows. The discounting rates for the calculation of the present value are determined on the basis of the current market interest rate, with the addition of a risk premium.

Note 10 Accounts receivable, financial fixed assets

All figures in DKK thousands	Total
Acquisition sum	
Start of the year	1,432,085
Additions for the year (loans)	593,841
Additions for the year (interest, etc.)	-2,770
Disposals for the year (repayment of principal)	-5,653
End of the year	2,017,503
Depreciation and write-downs	
Start of the year	0
Depreciation for the year	0
Write-downs for the year	0
End of the year	0
Net book value at the beginning of the year	1,432,085
Net book value at the end of the year	2,017,503

In order to ensure reasonable liquidity for the civil engineering contractor CMT during the construction period, Metroselskabet has established a liquidity scheme (liquidity bridge) of DKK 1.4 billion, as well as intermediate financing of completion works at DKK 594 million. CMT has provided bank guarantees for the amounts.

Other accounts receivable are the company's subordinate loan capital in Rejsekort og Rejseplan A/S.

Note 11 Derivative financial instruments

All figures in DKK thousands	Total
Acquisition sum	
Start of the year	0
Additions for the year	0
Disposals for the year	0
End of the year	0
Value adjustments	
Start of the year	2,699,745
Value adjustment for the year	1,446,896
End of the year	4,146,641
Net book value at the beginning of the year	2,699,745
Net book value at the end of the year	4,146,641

Note 12 Properties

In connection with the construction of Cityring, the company has taken over flats by expropriation. The flats are valued at acquisition cost. As at 31 December 2019, the company has taken over five flats. The flats are rented out on market terms. Any loss or profit on the sale of the flats will be included in the cost of the construction of Cityring.

On the establishment of Metroselskabet, the company took over sites at Forum and Fasanvej Stations. If a profit is achieved on the sale of the sites, the Municipality of Frederiksberg is entitled to a share of the profit, cf. separate agreement. The sites are valued at DKK 0. At the end of 2018 Metroselskabet entered into a conditional sales agreement on the sale of the sites. The agreement will be recognised when the terms of the sales agreement are fulfilled and the Municipality of Frederiksberg has received a profit in accordance with the agreement to this effect.

Note 13 Accounts receivable, current assets

Accounts receivable include VAT receivable at DKK 89 million, accrued interest at DKK 800 million and receivables relating to annual settlement in the joint fare system at DKK 88 million.

Note 14 Owner contributions receivable, current assets

Owner contributions receivable as at 31 December 2019 comprise receivables from the Danish State and the Municipality of Frederiksberg. The Municipality of Frederiksberg's receivable relates to deposits in accordance with appropriation document 8 of 8 October 2014 concerning the revised time schedule for Cityring, and to the financing of a subterranean Metro station at Ny Ellebjerg. The receivable from the Danish State concerns the financing of a subterranean Metro station at Ny Ellebjerg.

Note 15 Securities and liquid resources

All figures in DKK thousands	2019	2018
Securities over 3 months	6,660,309	3,647,933
Total securities	6,660,309	3,647,933
Cash and bank deposits	177,607	0
Total liquid resources	177,607	0

Securities concern the purchase of bonds as collateral for the market values of the company's financial instruments.

As at 31 December 2019, DKK 5.4 billion has been pledged as collateral.

Note 16 Long-term debt and short-term element of the long-term debt

All figures in DKK thousands	Loans over one year	Loans below one year	Derivative financial instruments (negative value)	Foreign exchange forward contracts	Total
Acquisition sum					
Start of the year	-19,440,000	-2,550,000	0	0	-21,990,000
Additions for the year	-10,000,000	-3,800,000	0	0	-13,800,000
Disposals for the year	3,800,000	2,550,000	0	0	6,350,000
End of the year	-25,640,000	-3,800,000	0	0	-29,440,000
Value adjustments					
Start of the year	-2,380,161	-101,405	-5,876,088	-1	-8,357,654
Value adjustment for the year	-706,495	68,934	-2,952,202	0	-3,589,762
End of the year	-3,086,656	-32,471	-8,828,290	-1	-11,947,416
Net book value at the beginning of the year	-21,820,161	-2,651,405	-5,876,088	-1	-30,347,654
Net book value at the end of the year	-28,726,656	-3,832,471	-8,828,290	-1	-41,387,416

In 2019, the company raised loans for a nominal amount of DKK 7.5 billion in net terms. The value of the company's financial instruments is recognised in the total value of the debt as at 31 December 2019. The market value adjustment of financial instruments is recognised in the Profit and Loss Account.

The company's loans, financial instruments, etc., are in accordance with the "list of acceptable loan types" in the agreement established between Danmarks Nationalbank, the Ministry of Finance, the Ministry of Transport and Housing, and Metroselskabet.

Of the company's long-term debt, DKK 14.6 billion in nominal terms falls due after five years.

Note 17 Prepaid owner contributions

Metroselskabet is included in the joint fare system in Greater Copenhagen. As of the balance sheet date, tickets that have not yet been used have been sold in the joint fare system.

Note 18 Other debt

All figures in DKK thousands	2019	2018
Outstanding ATP payments, etc.	303	271
Outstanding holiday pay	34,388	33,140
Accrued interest	338,332	321,423
Total other debt	373,023	354,834

Note 19 Segment reporting

All figures in DKK thousands	Advisory services 2019	Administration tasks 2019	Metro in operation, 2019	Ongoing construction projects	Total 2019
Income	20	47,130	1,679,072	218,759	1,944,982
Expenses	-44	-47,130	-1,243,521	-218,759	-1,509,454
Result before depreciation and write-downs	-24	0	435,551	0	435,527
Depreciation and write-downs	0	0	-303,714	-212,718	-516,432
Result before financial items	-24	0	131,837	-212,718	-80,905
Fixed assets					
Construction of the Metro	0	0	0	3,686,522	3,686,522
Metro in operation	0	0	20,512,980	0	20,512,980

Note 19 Segment reporting – continued

All figures in DKK thousands	Advisory services 2018	Administration tasks 2018	Metro in operation, 2018	Ongoing construction projects	Total 2018
Income	68	30,040	1,254,937	207,380	1,492,426
Expenses	-62	-30,040	-963,034	-207,380	-1,200,516
Result before depreciation and write-downs	6	0	291,903	0	291,909
Depreciation and write-downs	0	0	-164,817	379,816	214,999
Result before financial items	6	0	127,086	379,816	506,908
Fixed assets					
Construction of the Metro	0	0	249,943	16,433,320	16,683,263
Metro in operation	0	0	4,408,407	0	4,408,407

Advisory services comprise revenue and costs related to activities that are subject to competition. The result of advisory services after financial items and calculated tax is a loss of TDKK 24 (a profit of TDKK 6 in 2018). The accumulated result of Metroselskabet's advisory services is a profit of TDKK 321 at the end of 2019.

Administration tasks comprise revenue and costs for the administration and handling of the client organisation for Hovedstadens Letbane I/S.

Note 20 Proposed distribution of profit

All figures in DKK thousands	2019	2018
Carried forward to the following year	-2,581,266	41,734

Note 21 Events occurring after the Balance Sheet date

After the close of the financial year, no events of significance to the Annual Report for 2019 have occurred.

Note 22 Contractual commitments and contingent liabilities

Contractual commitments

The current ongoing contracts with contractors concerning the construction of the Metro have a total residual value of DKK 3,431 million.

For the purpose of the operation of the Metro until September 2027, a contract has furthermore been entered into for a total value of DKK 6,210 million. In addition to contractual payments, incentive payments will also be possible.

Contingent liabilities

In January 2020, Metroselskabet's contractor for the construction of Cityring, CMT, submitted their final bill in which their submitted claims are presented. The final bill includes claims totalling approximately EUR 805 million (around DKK 6.0 billion). Of this amount, approximately EUR 420 million (around DKK 3.1 billion) concerns claims for which there is a maximum payment amount of EUR 234.5 million (DKK 1.8 billion), which have been submitted to arbitration. The remaining EUR 385 million (around DKK 2.9 billion) concerns claims for which there is a maximum payment amount of EUR 7.5 million (DKK 56 million).

In accordance with the contract, these claims will now have to be negotiated between the parties. If no agreement can be reached, it must be expected that CMT will refer the claims to arbitration. Metroselskabet assesses that the most of the claims can be rejected on the grounds presented.

As a natural element of the company's major civil engineering projects, in the contractual relationship between Metroselskabet and its contractors a number of claims are notified concerning extra payment, etc. in addition to what is already agreed in the contracts established. In addition to the aforementioned claims from CMT there are thus several smaller outstanding claims from the company's contractors. The claims are discussed and clarified with the contractors on an ongoing basis. The size of these claims is subject to uncertainty.

The construction of the Metro entails expropriation, compensation and similar, for which the partnership pays the owners/residents affected. The size of the future compensation has not yet been determined.

Note 23 Auditing and consulting fees

All figures in DKK thousands	2019	2018
Office of the Auditor General	130	297
Deloitte	586	573
EY	560	540
Statutory audit in total	1,276	1,410
Deloitte	34	32
Other endorsements in total	34	32
Deloitte, VAT and tax advisory services	268	268
Deloitte, other advisory services	173	912
EY, other advisory services	321	293
Total advisory fees	762	1,474

Note 24 Related parties

Metroselskabet's related parties are the company's owners, Board of Directors, Executive Management and Hovedstadens Letbane I/S.

Transactions with related parties take place on market terms.

In 2019, Metroselskabet received revenue concerning the administration and management of the client organisation in conjunction with the establishment of a Light Rail in Ring 3, cf. the Order concerning remuneration between Hovedstadens Letbane I/S and Metroselskabet I/S. Metroselskabet I/S makes the necessary employees and other resources available to undertake Hovedstadens Letbane I/S' activities.

Note 25 Currency, interest and counterparty risk

Financial risks

Metroselskabet manages a number of financial risks. Metroselskabet's borrowing and use of financial instruments (interest rate hedging, swaps, etc.) are governed by an agreement between Danmarks Nationalbank, the Ministry of Finance, the Ministry of Transport and Housing, and Metroselskabet.

Currency risks

The agreement sets out guidelines for the types of financial instruments and loan agreements that may be included in the loan portfolio. According to these guidelines, the company's loan portfolio may only be exposed in DKK and EUR.

Interest rate risks

Interest rate risks are managed by both borrowing and investing money at variable and fixed interest rates. The profit for the year is affected by fluctuations in the market value adjustment, which is determined overall by the development in the general level of interest rates. If the interest rate falls, for example, the market value of a fixed-interest bond rises, and vice versa. BPV (Basis Point Value) indicates the price exposure. BPV at the end of 2019 is DKK 44 million, which means that a decrease in the level of interest rates by 1 per cent will entail an increase in market value by DKK 4.4 billion, and vice versa.

Counterparty risks

The company only places liquidity in the most creditworthy Danish and foreign institutions, so that the counterparty risk is limited as far as possible. This risk is managed and monitored continuously via a special line and limit system, which determines the principles for the specification of these risks, as well as a maximum limit to the risks that may be accepted concerning an individual counterparty. The latter is measured in relation to the counterparty's ratings from the international rating agencies. The company also seeks to reduce risk by using appropriate agreement documentation. In this connection, special agreements concerning the provision of security – CSA agreements – are concluded with counterparties.

Rating

International credit-rating agencies allocate companies a rating as an expression of their credit standing. The ratings are part of a scale in which AAA is the top rating, AA the next rating, and so on. Due to the joint and several liability of the Danish State, Metroselskabet is indirectly subject to the same credit rating as sovereign risk, which is AAA.

Note 25 Currency, interest and counterparty risk – continued**Net financial liabilities**

All figures in DKK thousands	Nominal value 2019	Net book value 2019	Net book value 2018
Securities and fixed-term deposits	6,610,685	6,660,309	3,647,929
Securities and fixed-term deposits in total	6,610,685	6,660,309	3,647,929
Loans	-29,440,000	-32,559,126	-24,471,563
Accrued interest, loans	0	-49,013	-53,075
Loans in total	-29,440,000	-32,608,139	-24,524,638
Derivative financial instruments, assets	-	4,146,641	2,699,745
Derivative financial instruments, liabilities	-	-8,828,290	-5,876,088
Accrued interest, derivative financial instruments	-	510,356	412,266
Financial instruments in total	-	-4,171,293	-2,764,076
Net liabilities in total	-22,829,315	-30,119,124	-23,640,783

Accrued interest is stated in the Balance Sheet under assets, receivables, at DKK 800 million, and liabilities, other debt, at DKK 338 million, respectively.

Currency risk

Currency distribution, as at 31 December 2019, net book value

All figures in DKK million	Securities and fixed-term deposits	Loans	Financial instruments	Net position
DKK <1 year	0	-3,834	33	-3,801
DKK > 1 year	0	-28,774	-3,821	-32,595
EUR < 1 year	3,489	0	0	3,489
EUR > 1 year	3,171	0	-383	2,788
Total	6,660	-32,608	-4,171	-30,119

Note 25 Currency, interest and counterparty risk – continued

Interest rate risk

Interest rate fixing as at 31 December 2019, net book value

All figures in DKK million	DKK	EUR	Total
0 - 1 years	-3,801	3,489	-312
1 - 5 years	-11,186	3,171	-8,014
5 - 10 years	-12,786	0	-12,786
10 - 20 years	-3,896	-383	-4,279
> 20 years	-4,729	0	-4,729
Total	-36,396	6,277	-30,119

Counterparty risk

Liquidity investments and the use of financial instruments involve a risk on the counterparty, in the form of a credit risk or liquidity risk. This risk is managed and monitored continuously via a special line and limit system which establishes the principles for the specification of these risks, as well as a maximum level of acceptable risks for an individual counterparty. The latter are measured by the international rating agencies (Moody's, Standard & Poor's and Fitch/IBCA). The company also seeks to reduce risks by using appropriate agreement documentation.

Counterparty risk distributed by rating category, as at 31 December 2019

Total counterparty exposure (net book value, DKK million)	Securities and fixed-term deposits	Loans	Derivative financial instruments	Total
AAA	6,660	-32,608	0	-25,948
AA	0	0	7,964	7,964
AA	0	0	-7,294	-7,294
A	0	0	5,429	5,429
A	0	0	-8,141	-8,141
BBB	0	0	262	262
BBB	0	0	-2,391	-2,391
Total	6,660	-32,608	-4,171	-30,119

The counterparties to the agreements are subject to collateral agreements. The net provision of security by Metroselskabet at 31.12.19 is DKK 3.7 billion.

Note 26 Specification of loans and derivative financial instruments

The construction of Metroselskabet's facilities is financed primarily with fixed-rate loans raised at Danmarks Nationalbank. The accounting treatment of hedging is based on two principles.

1 When the company raises loans, immediately after the loan is raised, most of the loan is converted to a variable interest rate via interest rate swaps. Since the conversion to a variable interest rate is considered to be effective hedging, changes in the fair value of both the hedged loan and the interest rate swap are recognised in the Profit and Loss Account (fair value hedging), cf. the accounting policies applied. These adjustments essentially set off each other. Loans that are not converted to a variable interest rate are recognised at amortised cost.

2 As part of Metroselskabet's financing strategy, the company has hedged the interest rates (conversion from a variable interest rate to a fixed nominal interest rate or fixed real interest rate) for around two thirds of the expected maximum net debt. The interest rate hedging has taken place in order to hedge part of the interest rate risk and thereby increase the budgetary certainty of the company's long-term finances. The interest rate hedging safeguards future cash flows in the form of the interest payments expected to be made going forward. As there is no direct correlation between the individual loans and the individual hedging instruments, the hedging is not considered to be effective in accounting terms and therefore fair value adjustment of interest-rate hedging made on a portfolio basis is recognised in the Profit and Loss Account, cf. the accounting policies applied. This adjustment primarily constitutes the market value adjustment for the year.

Note 26 Specification of loans and derivative financial instruments – continued

The table below presents Metroselskabet's total borrowing by maturity, and the proportion of the loans that are swapped to variable interest rates, cf. item 1 on page 89.

All figures in DKK million	Fixed (Principal)	CIBOR 3M	CIBOR 6M	EURIBOR 6M	Net book value 31.12.19
Duration < 1 year					
Loans	-3,800	-	-	-	-3,834
Interest rate swap (fixed to variable)	3,200	-	-3,200	-	33
Net exposure	-600	0	-3,200	0	-3,801
Duration 1-5 years					
Loans	-11,050	-	-	-	-11,710
Interest rate swap (fixed to variable)	2,650	-2,650	-	-	208
Interest rate swap (fixed to variable)	6,800	-	-6,800	-	352
Net exposure	-1,600	-2,650	-6,800	0	-11,149
Duration 6-10 years					
Loans	-12,550	-	-	-	-13,635
Interest rate swap (fixed to variable)	1,550	-1,550	-	-	163
Interest rate swap (fixed to variable)	11,000	-	-11,000	-	991
Net exposure	0	-1,550	-11,000	0	-12,481
Duration 21-30 years					
Loans	-2,040	-	-	-	-3,430
Interest rate swap (fixed to variable)	-1,200	-1,200	-	-	1,050
Net exposure	-840	-1,200	0	0	-2,380
Loans	-29,440	-	-	-	-32,609
Interest rate swap (fixed to variable)	26,400	-5,400	-21,000	-	2,797
Total	-3,040	-5,400	-21,000	0	-29,812

For loans raised with a principal of DKK 3,040 million, no agreement has thus been entered into concerning the conversion of the interest rate from a fixed to a variable rate. In accordance with the accounting policies applied, these loans are recognised at amortised cost.

Note 26 Specification of loans and derivative financial instruments – continued

The table below presents all of Metroselskabet's total interest rate hedging agreements, cf. item 2 on page 89.

All figures in DKK million	CPI* + Fixed	Fixed	CIBOR 3M	CIBOR 6M	EURIBOR 6M	Net book value 31.12.19
Duration 1-10 years						
Interest rate swap (variable to fixed)	-	-1,005	-	1,005	-	-304
Interest rate swap (real to fixed)	1,011	-1,011	-	-	-	-36
Net exposure	1,011	-2,016	-	1,005	-	-340
Duration 11-20 years						
Interest rate swap (variable to fixed)	-	-2,977	-	2,977	-	-1,477
Interest rate swap (real to fixed)	1,411	-1,411	-	-	-	-422
Interest rate swap (variable to real)	-	-	-	-	-	0
Net exposure	1,411	-4,388	-	2,977	-	-1,899
Duration 21-30 years						
Interest rate swap (variable to fixed)	-	-6,289	-	6,289	-	-3,888
Interest rate swap (fixed to real)	-1,491	1,491	-	-	-	710
Net exposure	-1,491	-4,798	-	6,289	-	-3,178
Duration 31-40 years						
Interest rate swap (variable to fixed)	-	-5,020	-	5,020	-	-2,793
Interest rate and currency swap (variable to fixed)	-	-1,043	-	-	1,043	-178
Interest rate swap (fixed to real)	-2,814	2,814	-	-	-	1,419
Net exposure	-2,814	-3,249	0	5,020	1,043	-1,551
Interest rate swap (real to fixed)	2,422	-2,422	0	0	0	-458
Interest rate and currency swap (variable to fixed)	0	-1,043	0	0	1,043	-178
Interest rate swap (variable to real)	0	-15,291	0	15,291	0	-8,462
Interest rate swap (fixed to real)	-4,305	4,305	0	0	0	2,129
Total	-1,883	-14,451	0	15,291	1,043	-6,969

* CPI = Consumer price index

Note 26 Specification of loans and derivative financial instruments – continued

All figures in DKK million

Financial agreements (fair value hedging)	2,797
Financial agreements (future cash flows)	6,969
Total financial agreements	-4,171

The market value of loans with related financial instruments, and the financial instruments, is determined as the listed value on discounting future known and expected payment flows at the relevant discount rates. The discount rates are determined on the basis of the current market interest rates.

Note 27 Investment in the construction of the Metro

All figures in DKK thousands	2019	2018
Investment in the construction of the Metro, cf. Notes 6 and 7	3,616,167	3,391,825
Value of own work	-218,759	-207,380
Total investment in the construction of the Metro	3,397,408	3,184,445

Management Endorsement

The Board of Directors and the Executive Management have today examined and approved the Annual Report for 2019 for Metroselskabet I/S.

The Annual Report has been prepared in accordance with the Danish Financial Statements Act (accounting class D) and the provisions of the partnership agreement on the presentation of financial statements. It is our opinion that the

accounting policies applied are appropriate, and that the annual financial statements give a true and fair view of the company's assets, liabilities, financial position, profit and cash flows. It is also our opinion that the Directors' Report provides a true and fair account of the circumstances covered by the report.

We recommend that the Annual Report be adopted by the partners.

Copenhagen, 28 February 2020

Executive Management

Henrik Plougmann Olsen

Board of Directors

Jørn Neergaard Larsen (Chairman)

Harald Børsting

Lars Weiss (Vice Chairman)

Ali Hansen

Jørgen Glenthøj (Vice Chairman)

Fanny Broholm

Birgitte Brinch Madsen

Mimi Larsson

Peter Jensen

Independent Auditors' Report

To the partners of Metroselskabet I/S

Auditors' report on the financial statements

Opinion

We have audited the financial statements of Metroselskabet I/S for the financial year 1 January to 31 December 2019, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of Metroselskabet's financial position at 31 December 2019 and of the results of its operations and its cash flows for the financial year 1 January to 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark as well as generally accepted public auditing standards as the audit is based on the provisions of the Danish Act on Metroselskabet I/S and

Arealudviklingsselskabet I/S and the Danish Auditor General Act. Our responsibilities under those standards and requirements are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

The auditor general is independent of Metroselskabet in accordance with Section 1(6) of the Danish Auditor General Act and the approved auditor is independent of Metroselskabet in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with 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 Metroselskabet's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate Metroselskabet or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities 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 auditors' 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 and generally accepted public accounting standards, see the Danish Act on Metroselskabet I/S and Arealudviklingsselskabet I/S and the Danish Auditor General Act, 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 conducted in accordance with ISAs and the additional requirements applicable in Denmark and generally accepted public accounting standards, see the Danish Act on Metroselskabet I/S and Arealudviklingsselskabet I/S and the Danish Auditor General Act, we exercise professional judgement and maintain an

attitude of professional scepticism throughout the audit. We also:

- Identify and assess the risk 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 Metroselskabet'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 in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Metroselskabet's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause Metroselskabet to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Report on other legal and regulatory requirements

Statement on compliance audit and performance audit

Management is responsible for ensuring that the transactions covered by the financial statements are in accordance with the appropriations, laws and other regulations, agreements and usual practice, and that financial consideration has been made when managing the funds and operations covered by the financial statements. Management is also responsible for setting up systems and processes supporting economy, productivity and efficiency.

As part of our audit of the financial statements, it is our responsibility to perform compliance audit as well as performance audit of selected subject matters in accordance with the public auditing standards. In our compliance audit, we test the selected subject matters to obtain reasonable assurance about whether the examined transactions covered by the financial statements comply with the appropriations, laws and other regulations, agreements and usual practice. In our performance audit, we make an assessment to obtain reasonable assurance about whether the systems, processes or transactions examined support the exercise of sound financial management in the administration of the funds and operations covered by the financial statements.

If, based on the procedures performed, we conclude that material critical comments should be made, we are required to report this in this statement.

We have no significant critical comments to report in this connection.

Copenhagen, 28 February 2020

Danish Auditor General

Business Registration no 77806113

Lone Lærke Strøm
Auditor General

Malene Sau Lan Leung
Head of Department

Deloitte

Statsautoriseret
Revisionspartnerselskab
Business Registration no 33963556

Erik Lynge Skovgaard Jensen
State-Authorised Public Accountant
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Bryndís Símonardóttir
State-Authorised Public Accountant
Identification no: mne40064

Ernst & Young

Godkendt
revisionspartnerselskab
Business Registration no 30700228

Torben Bender
State-Authorised Public Accountant
Identification no: mne21332

Michael N. C. Nielsen
State-Authorised Public Accountant
Identification no: mne26738

Appendix to the Directors' Report

The following 2020 long-term budget was adopted in December 2019. No significant changes have been made in relation to the 2019 long-term budget from December 2018.

Long-term budget assumptions

The long-term budget is stated in current prices:

Passenger numbers and fares

1. The passenger numbers up to 2035 are determined on the basis of the passenger forecast according to the most recently updated traffic model. The number of passengers budgeted for in 2020 is 121 million, increasing to 137 million passengers in 2021, and 174 million in 2025. The number of passengers in 2035 is expected to be 191 million. After 2035, the number of passengers has been conservatively maintained at 154 million, cf. the previous passenger forecast.

2. The basis for the fare assumptions is the price per new passenger, based on the Order on the distribution of ticket revenue in Greater Copenhagen. The fare assumptions have been adjusted to 2020 prices, based on the actual development in fares during the period, and furthermore adjusted in accordance with the actual passenger breakdown

in 2018. In 2020, the fare per passenger is budgeted at DKK 13.99. The assumption is a real fare increase based on the assumptions in the government's 2016 convergence programme concerning the economic development. The future fare development is subject to uncertainty concerning the risk of changes in the future distribution of ticket revenues in Greater Copenhagen.

Operating and construction costs

3. The operating costs for the Metro in operation are estimated on the basis of the company's costs in accordance with the contract for the operation and maintenance activities. For Nordhavn and Sydhavn, the basis is the transport system contracts.

As the assumed real increase in fares is, from experience, assessed to have a partial impact on the index linking of the Metro operating costs, a real increase in the operating costs equivalent to approximately 60 per cent of the assumed real increase in fares is budgeted.

4. For the 2019-2024 period, operational mobilisation and mobilisation (Sydhavn) are budgeted as a total of DKK 722 million in 2020 prices.

5. The construction costs for Cityring are based on the most recently approved construction budget. The total construction

costs are estimated at DKK 23.6 billion in 2010 prices (DKK 25.4 billion in 2020 prices). The conversion of the remaining budget from 2010 prices to the current price level is based on the contract index and the construction index of the Ministry of Finance.

6. The construction costs for the Nordhavn line are based on the most recently approved construction budget. The total construction costs are estimated at DKK 2.9 billion in 2012 prices, including adjustment reserves (DKK 3.2 billion in 2020 prices). The conversion of the remaining budget from 2012 prices to the current price level is based on the contract index and the construction index of the Ministry of Finance.

7. The construction costs for the Sydhavn line are based on the most recently approved construction budget. The total construction costs are estimated at DKK 8.6 billion in 2014 prices, including adjustment reserves (DKK 9.4 billion in 2020 prices).

8. Reinvestments in connection with Cityring are based on the assumptions in the agreement in principle and for every 10th year amount to DKK 289 million, for every 25th year to DKK 1,299 million, and after an additional 50 years to DKK 577 million, in 2020 prices. The conversion to 2020 prices is based on expected price development of 2 per cent from 2019 to 2020.

9. Reinvestments in connection with the Nordhavn line are based on the assumptions in the report and for every 10th year amount to DKK 38 million, for every 25th year to DKK 172 million, and after an additional 50 years to DKK 77 million, in 2020 prices. The conversion to 2020 prices is based on expected price development of 2 per cent from 2019 to 2020.

10. The reinvestments in connection with the Sydhavn line are based on the assumptions in the agreement in principle and for

every 10th year amount to DKK 84 million, for every 25th year to DKK 377 million, and after an additional 50 years to DKK 168 million, in 2020 prices. The conversion to 2020 prices is based on expected price development of 2 per cent from 2019 to 2020.

11. Reinvestments in connection with the Metro in operation of DKK 336 million every 10th year in 2020 prices are assumed. In accordance with the partnership agreement, reinvestment in trains, tunnels and stations has not been included. The investment programme budget (capacity expansion) was estimated to be DKK 2,328 million in the period from 2019 to 2024, in 2020 prices.

12. The company's general financing reserve of DKK 725 million in 2020 prices is reserved in the long-term budget.

Other conditions

13. The Metro is registered for VAT purposes, so that VAT is deducted from the company's income from the operation of the Metro, while the VAT costs of the construction of the Metro are set off.

14. It is assumed that "other debt", which does not accrue interest, will increase to approximately DKK 600 million, after which it will fall to approximately DKK 100 million.

15. It is assumed that surplus liquidity accrues interest at a real interest rate of 2 per cent p.a. Interest on the debt takes account of the company's established interest rate hedging agreements. Debt in addition to the interest rate hedging accrues interest at a real interest rate of 3.5 per cent p.a. In the short term, account is furthermore taken of the company's actual interest rate expectations.

16. It is assumed that as from 2020 all prices will increase by 2 per cent p.a.

Long-term budget

Long-term budget 2020 for Metroselskabet I/S (current prices)

DKK million

Inflation 2%

Interest rate assumptions:

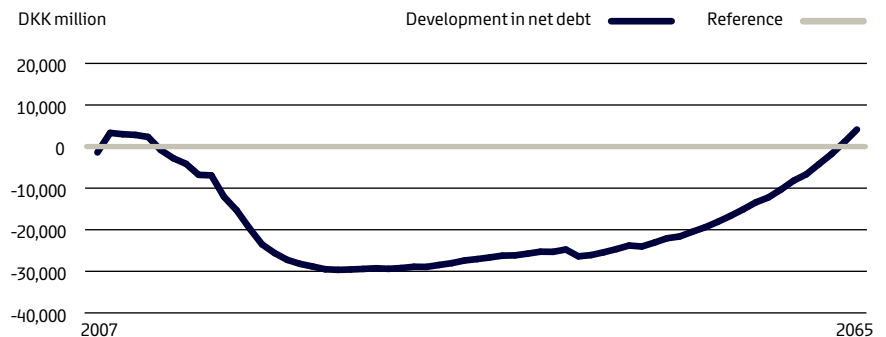
For interest rate hedging agreements the actual interest rate is applied.

Debt in addition to the interest rate hedging accrues interest at a real interest rate of 3.5 per cent, equivalent to a nominal interest rate of 5.5 per cent.

Cityring construction costs (2010 price level) 23,552

Nordhavn construction costs (2012 price level) 2,900

Sydhavn construction costs (2014 price level) 8,627



Long-term budget 2020 for Metroselskabet I/S (current prices) – continued

DKK million	Year	The Metro in operation		Construction of Cityring, Nordhavn and Sydhavn		
		Receivables	Other debt, etc.	Investments	Construction costs	Index linking
	01.01.2007	1,268	105		-4	
	2007	4,842	75	-172	-62	0
	2008	58	-142	-53	-390	0
	2009		102	-44	-404	0
	2010		40	-43	-594	0
	2011		-141	-62	-3,008	-102
	2012	310	-64	-61	-2,173	-98
	2013	1,886	-51	-135	-2,990	-128
	2014	931	-207	-151	-3,240	-126
	2015	3,779	5	-162	-3,668	-84
	2016	-238	-218	-71	-4,353	-230
	2017	-298	-36	-56	-2,727	92
	2018	-398	-446	-136	-3,179	-77
	2019		300	-200	-2,813	-1,092
	2020	66	300	-626	-1,664	-280
	2021		300	-663	-1,201	-118
	2022		300	-602	-753	-74
	2023		300	-599	-537	-53
	2024	1,452	-200	-474	-1,391	-120
	2025		-200	0	0	0
	2026			0	0	0
	2027			0	0	0
	2028			0	0	0
	2029			-345	0	0
	2030			-47	0	0
	2031			0	0	0
	2032			-427	0	0
	2033			0	0	0
	2034			-111	0	0
	2035			0	0	0
	2036			0	0	0
	2037			0	0	0
	2038			0	0	0
	2039			-421	0	0
	2040			-57	0	0
	2041			0	0	0
	2042			-520	0	0
	2043			0	0	0
	2044			-2,225	0	0
	2045			-282	0	0
	2046			0	0	0
	2047			0	0	0
	2048			0	0	0
	2049			-1,182	0	0
	2050			-69	0	0
	2051			0	0	0
	2052			-634	0	0
	2053			0	0	0
	2054			-164	0	0
	2055			0	0	0
	2056			0	0	0
	2057			0	0	0
	2058			0	0	0
	2059			-625	0	0
	2060			-84	0	0
	2061			0	0	0
	2062			-773	0	0
	2063			0	0	0
	2064			-200	0	0
	2065			0	0	0
	2066			0	0	0

Operating profit, overall Metro							
Income	Expenses	Liquidity effect	Interest	Movement	Net debt, start of the year	Net debt, end of the year	
							-1,402
380	-354	4,708	-17	4,691	-1,402		3,288
501	-444	-469	152	-317	3,288		2,971
530	-464	-280	114	-166	2,971		2,805
595	-484	-486	-4	-490	2,805		2,315
635	-443	-3,122	-15	-3,137	2,315		-822
678	-443	-1,851	-143	-1,994	-822		-2,816
691	-475	-1,203	-134	-1,336	-2,816		-4,152
772	-484	-2,505	-149	-2,655	-4,152		-6,806
743	-503	110	-229	-119	-6,806		-6,926
836	-545	-4,819	-337	-5,156	-6,926		-12,082
903	-583	-2,889	-363	-3,252	-12,082		-15,334
891	-599	-3,944	-322	-4,266	-15,334		-19,600
1,032	-760	-3,533	-380	-3,913	-19,600		-23,513
1,753	-1,254	-1,705	-400	-2,105	-23,513		-25,618
2,047	-1,315	-949	-685	-1,635	-25,618		-27,253
2,274	-1,385	-240	-713	-953	-27,253		-28,206
2,518	-1,457	172	-807	-635	-28,206		-28,841
2,686	-1,517	436	-1,101	-665	-28,841		-29,506
2,781	-1,600	981	-1,123	-142	-29,506		-29,648
2,870	-1,621	1,249	-1,162	87	-29,648		-29,561
2,960	-1,671	1,289	-1,156	133	-29,561		-29,428
3,052	-1,717	1,335	-1,169	166	-29,428		-29,262
3,152	-1,758	1,049	-1,187	-138	-29,262		-29,401
3,253	-1,806	1,401	-1,211	190	-29,401		-29,211
3,357	-1,855	1,502	-1,197	305	-29,211		-28,906
3,464	-1,905	1,133	-1,165	-33	-28,906		-28,938
3,575	-1,956	1,618	-1,154	464	-28,938		-28,474
3,689	-2,009	1,569	-1,130	439	-28,474		-28,035
3,806	-2,064	1,742	-1,101	641	-28,035		-27,394
3,293	-1,858	1,435	-1,100	335	-27,394		-27,059
3,376	-1,899	1,477	-1,081	397	-27,059		-26,662
3,461	-1,940	1,521	-1,091	430	-26,662		-26,232
3,548	-1,983	1,145	-1,077	68	-26,232		-26,164
3,637	-2,026	1,554	-1,134	420	-26,164		-25,744
3,728	-2,070	1,658	-1,198	460	-25,744		-25,284
3,821	-2,115	1,186	-1,214	-28	-25,284		-25,312
3,916	-2,161	1,755	-1,200	555	-25,312		-24,757
4,013	-2,208	-419	-1,229	-1,648	-24,757		-26,405
4,113	-2,256	1,575	-1,265	309	-26,405		-26,095
4,215	-2,305	1,910	-1,239	671	-26,095		-25,424
4,320	-2,355	1,965	-1,201	764	-25,424		-24,660
4,427	-2,407	2,021	-1,157	864	-24,660		-23,796
4,537	-2,459	896	-1,140	-244	-23,796		-24,041
4,650	-2,513	2,068	-1,122	946	-24,041		-23,094
4,743	-2,563	2,180	-1,138	1,042	-23,094		-22,052
4,838	-2,614	1,590	-1,159	430	-22,052		-21,622
4,935	-2,667	2,268	-1,137	1,131	-21,622		-20,490
5,033	-2,720	2,149	-1,078	1,072	-20,490		-19,419
5,134	-2,774	2,360	-1,053	1,307	-19,419		-18,111
5,237	-2,830	2,407	-979	1,428	-18,111		-16,684
5,341	-2,886	2,455	-900	1,556	-16,684		-15,128
5,448	-2,944	2,504	-813	1,692	-15,128		-13,437
5,557	-3,003	1,929	-735	1,194	-13,437		-12,243
5,668	-3,063	2,521	-621	1,899	-12,243		-10,343
5,782	-3,124	2,657	-513	2,144	-10,343		-8,199
5,897	-3,187	1,938	-415	1,523	-8,199		-6,676
6,015	-3,250	2,765	-309	2,456	-6,676		-4,220
6,136	-3,315	2,620	-178	2,442	-4,220		-1,778
6,258	-3,382	2,877	-36	2,840	-1,778		1,063
6,383	-3,449	2,934	101	3,035	1,063		4,097

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