

# Metroselskabet I/S



## Annual Report 2021





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**Metroselskabet I/S**

Metrovej 5  
 DK-2300 Copenhagen S  
 T: 3311 1700  
 CVR no.: 30823699

Read more about Metro-  
 selskabet  
 at [m.dk](http://m.dk)

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# Living up to our responsibility

Metroselskabet's core task is to connect Copenhagen by providing sustainable transport options. To achieve this goal, we must ensure that the Metro is modern, reliable and accessible to all passengers. We must also live up to our obligations as a responsible client to make sure that the Metro is constructed and operated responsibly for the sake of the local community, the environment and ourselves. Since its opening almost 20 years ago, the Copenhagen Metro has transported more than a billion passengers and set new standards for public transport. Driverless trains without a time table and passengers who expect reliable, uninterrupted metro services at all times. It is something that we all take for granted now and would not be without. However, in order to provide modern, in-demand public transport services in future we must continue to show the foresight and courage we showed 20 years ago.

*“We must continue to show the courage we showed 20 years ago”*

## Population growth calls for new metro lines

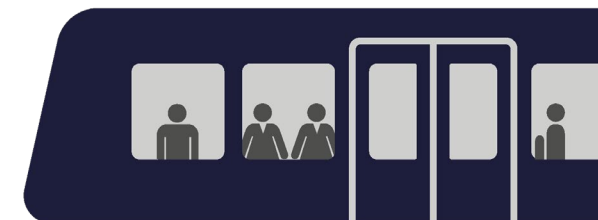
Copenhagen is facing a variety of challenges and new needs that call for visionary decision-making. Population growth and capacity issues are no longer problems to be dealt with in the distant future. Towards 2050, the population in Copenhagen and Frederiksberg will grow by about 130,000 new citizens, and some parts of the Metro are already experiencing capacity issues. As the population grows, so do the congestion problems and the need for new green transport solutions to help achieve local and national climate targets.

The development of efficient, sustainable and connected infrastructure is more important than ever if Copenhagen is to remain a green and attractive city which is easy and quick to get around. A significant milestone is the extension of the M4 metro line towards the south in 2024 when five new metro stations will open between København H and Ny Ellebjerg, the forthcoming København S station. An extension of the M4 line towards Ydre Nordhavn has also been decided, while a brand-new metro line, the M5, is on the drawing board. The M5 will first and foremost alleviate congestion across the port and strengthen mobility. It will also enable the

Metro to serve the new residential areas on Refshaleøen and at Kløverparken and Lynetteholm. Consequently, the M5 is the next natural step in the build-out of efficient, sustainable infrastructure in Copenhagen.

## Passengers are returning to the Metro

In 2021, we successfully met expectations despite the many challenges posed by the pandemic. We continued to fulfil our important task of providing efficient and reliable transport services to passengers who during the pandemic relied on the Metro for their everyday transport needs. We strived to comply with all official requirements and restrictions to prevent the spread of infection. At the same time, we had a strong focus on ensuring that our passengers could continue to feel safe using the Metro during the pandemic. However, the COVID-19 restrictions had a considerable impact on the development in passenger numbers. A total of 73.4 million passengers travelled on the Metro, which was about half as many as anticipated in our long-time budget. The declining passenger numbers combined with the need to maintain service frequency led to a significant fall in revenue which was compensated by the Danish







State. As a result, the company's financial result for the year was not affected by the decline.

In 2022, one of Metroselskabet's main tasks will be to convince even more people to choose the Metro when travelling for work or leisure by ensuring that the Metro remains a modern and reliable mode of public transport.

### Environmentally-friendly metro

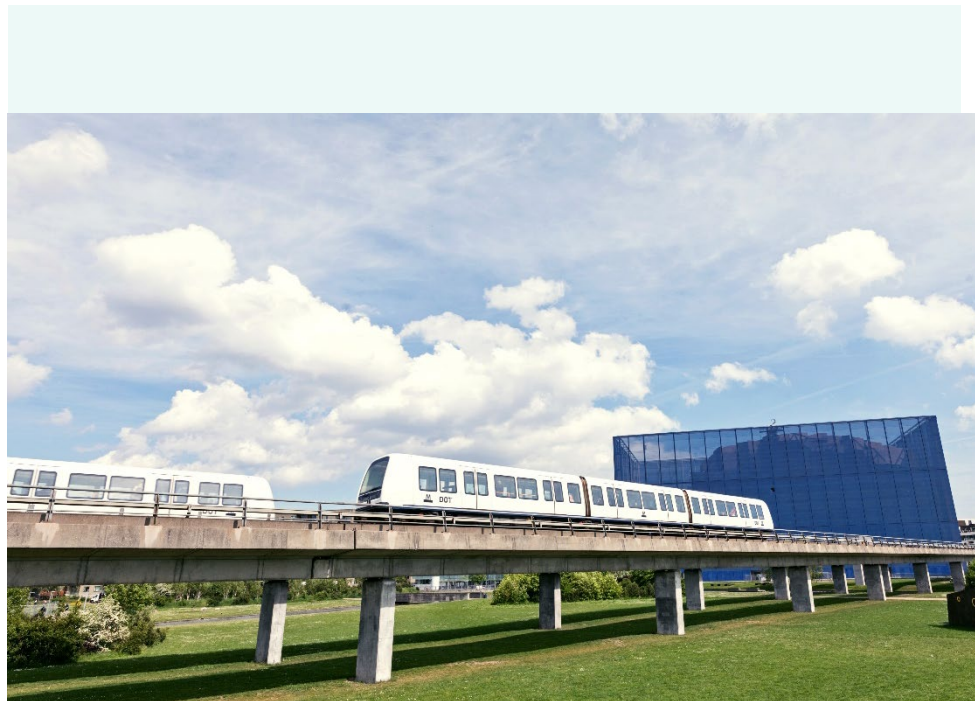
Fulfilling international, national and local sustainability ambitions requires timely investment in green and efficient infrastructure. The national 70% climate target, the City of Copenhagen's 2025 carbon neutrality target and Fredriksberg Municipality's 2030 carbon neutrality

target are all focused on direct carbon emissions within the municipal borders and in Denmark as a whole. With the Metro as a sustainable means of transport, Copenhagen is able to develop and meet the strong demand for urban living and travel. Compared to other modes of transport, the Metro is an environmentally-friendly means of transport. This is mainly because the Metro is powered by electricity and has a high utilisation rate as it is used by many people every day. The Metro is also designed to have a minimum lifetime of 100 years which means that it will be used by billions of travellers during its lifetime. But it is more than that. Metroselskabet has a unique opportunity to set new standards for sustainable development, among other things by promoting innovation in steel and concrete in particular during the

construction phase as well as energy consumption in operations, and by exploring the possibilities of constructing new stations made of wood on the M4 Ydre Nordhavn line.

### Focused safety culture

Metroselskabet has a firm commitment to strengthening our shared safety culture across the value chain. We work closely with our contractors and subcontractors to make sure that no one is hurt while working on our projects or sites. Our vision 'Safety on the right track' forms the basis for our efforts to raise awareness of the importance of a safe workplace. In 2021, the work had a positive effect on our safety performance, with the lost-time injury frequency rate of the M4 Sydhavn construction project being reduced to 3.4 from 16.5 the previous year. The overall lost-time injury frequency rate was 8.2 throughout the project's lifetime. In comparison, the average for the Danish construction industry was 24.5 in 2020. Sadly, despite the strong performance, we had a fatal accident when a worker was tragically killed while working near a crane on the M4 Sydhavn construction site in May 2021. We are still deeply affected by the fact that it happened on one of our construction sites and we are trying to learn from the accident and share our experiences with others. In the months following the accident, we conducted a thorough investigation assisted by external experts to uncover the chain of events that led to the accident. We also introduced several new measures to improve safety. However, the fatal accident was a tragic reminder that although the lost-time injury





frequency rate for 2021 was the lowest in the project's lifetime, even one accident is one too many.

## People and new technology create opportunities for the future

At the end of 2021, Metroselskabet had just under 300 employees of different nationalities with a wide variety of skills. This diversity creates a strong professional and international multicultural working environment with a wide range of skills and experience which promote job execution and satisfaction and cooperation with external parties. Our employees are our most important asset. The many new requirements for sustainability and digitisation skills in particular have led us to upskill our employees so we can continue to deliver high-quality services and improve public transport in Copenhagen for the benefit of our passengers.

The number of trains, stations, tracks, etc. has increased with the opening of the M3 Cityringen and M4 Nordhavn lines, requiring stepped up maintenance and reinvestment efforts in future. Moreover, complex large-scale construction projects such as the M4 Sydhavn line, the extension of the M4 Nordhavn line as well as the upcoming M5 line bring together many operators and disciplines during all stages of the project – from concept development and design to execution and operation. This places high demands on communication and information and data management, both over time and across disciplines. In recent years, we have worked purposefully to implement new technological planning, construction and operating tools. Among other things, the new opportunities will ensure much more efficient and sustainable work processes when working with contractors, advisers and others involved in the construction and operation of the Metro. The increased

digital focus has led to a significant increase in the number of digitisation and IT specialists, and we have also hired more people in the field of environment and climate.

In this Annual Report you can read more about Metroselskabet's activities in 2021.

We want to thank all our business partners and employees for their hard work in the past year.

We hope that you enjoy reading the report.

### **Jorn Neergaard Larsen**

Chairman of the Board of Directors

### **Henrik Plougmann Olsen**

CEO





# The Metro — connecting Copenhagen through sustainable transport options



**220,000**

passengers a day  
(weekdays)



**4**

lines

**39**

stations

**81**

trains



**64**

NPS score

## 2021 in figures

Number of passengers  
73,386,801

On-time performance:  
99.3

Passenger revenue:  
DKK 805 million

Result:  
381





# Metro operations





With less than two minutes between trains and high on-time performance, the Metro is a popular means of transport. In 2021, passengers returned after a COVID-19-related decline in demand, but we also welcomed new passengers.

### Renewed growth in passenger numbers

Overall, 73.4 million passengers travelled on the Metro in 2021, which was 2% above the adjusted passenger budget, but only about half of the number of passengers anticipated in the long-term budget.

Metroselskabet initially expected 136.6 million passengers to travel on the Metro in 2021, but due to the lessons learned from the COVID-19 lockdowns in 2020, the company decided to revise its expectations to 71.8 million passengers for 2021.

During the year, the development in passenger numbers was increasingly affected by restrictions and recommendations related to COVID-19. Following the lockdown at the beginning of the year, society gradually began to reopen in March 2021 which was clearly reflected in passenger numbers, which particularly from August saw marked growth as more people went back to work, and schools and

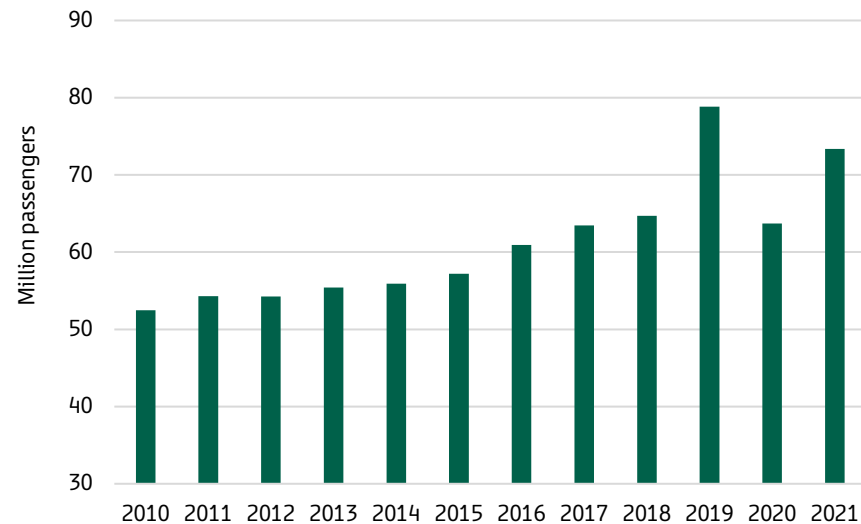
educational institutions reopened. Passenger growth from August to November of around 30% for the M3/M4 and 25% for the M1/M2 was very satisfactory. In late November, the Danish authorities reintroduced the mask-wearing requirement in certain areas of public life, including public transport, and in early December the authorities encouraged people to work from home where possible, causing a drop in passenger numbers.

The Metro’s target is to reach 181 million passengers by 2028, which will match the projected passenger numbers specified in the long-term budget prepared before COVID-19 struck. Passenger numbers will then continue to rise. Passenger growth is expected to be achieved as a consequence of population growth, but also by more people opting for the Metro. Consequently, efforts are going into expanding the Metro by adding five stations on the M4 to Sydhavn, strengthening the passenger experience by developing service and ticket products and increasing marketing efforts to boost awareness of the Metro.

The findings of a comprehensive passenger survey will be available in early 2022, which will help the company to better assess the growth potential of the Metro’s passenger segments and opening of new lines and provide new insight into why passengers choose the Metro.

### The Metro lives up to passenger expectations

Passenger numbers



Note: The M3 Cityringen line opened on 29 September 2019, while the M4 Nordhavn line opened on 28 March 2020.

- In a given week, more than 2 million journeys are made on the Metro
- The highest number of passengers to date was reached on 29 November 2019, when 530,000 passengers travelled on the Metro
- In early 2022, the number of journeys made on the Metro since its opening in 2002 reached 1 billion.





Satisfied passengers is one of the cornerstones of the company’s brand position and a strong indicator of the future development in the number of travellers on the Metro. Passenger satisfaction is based on surveys of passenger satisfaction with the journey as a whole, the Metro’s on-time performance, the service provided by the staff, the traffic information provided en route, the cleanliness of the stations and trains and passenger safety. Metroselskabet continuously measures passenger satisfaction via quantitative interviews. In 2021, due to distancing requirements, passenger satisfaction was measured only on the basis of interviews conducted from April to December 2021.

Despite COVID-19 and the resulting restrictions imposed on public transport, passenger satisfaction with travel and the perceived level of safety was at a high and satisfactory level in 2021, thereby remaining at the high level seen in previous years.

The Metro’s net promoter score measures passengers’ willingness to recommend the Metro to others on a scale of -100 to +100. The result for 2021 was +64 and thus on a par with 2020, when the result was +67. Compared to other public transport services and other industries, the Metro’s NPS is very high which is ensured by delivering on our core task: providing passengers with fast, high-frequency, reliable and sustainable transport. In the coming years, one of our focus areas will be to improve the passenger experience during scheduled service changes, among other things by improving passenger information.

For the M1/M2, NPS was +60, down from +65, and for the M3/M4 the company saw a slight increase from +68 in 2020 to +69 in 2021. The decline for the M1/M2 is assumed to be linked to the fact that there was quite a lot of scheduled track work in 2021 which led to reduced service frequency, particularly in the evenings and at night. Additionally, COVID-19 restrictions and the mask-wearing requirement are assumed to have affected passenger recommendations and loyalty. In spring 2022, we will conduct a more in-depth survey of the passenger experience.

**High on-time performance**

In 2021, the Metro maintained a high on-time performance of 99.3%. On-time performance is calculated as the number of actual departures relative to the number of scheduled departures, with on-time performance exceeding the 98% target, an improvement from 2020 when the figure was 99.1%.



Line	Time	%
M1/M2	Total	99.5
	Off-peak times	99.6
	Peak times	99.2
M3/M4	Total	99.1
	Off-peak times	99.3
	Peak times	98.4

Total on-time performance for the M1/M2 was on a par with 2020 (99.5%). On the M3/M4, performance improved from 98.6% in 2020 to 99.1% in 2021. On-time performance during peak times has improved for both systems. On the M1/M2, performance increased from 98.9% in 2020 to 99.2% in 2021, and on the M3/M4 from 98.2% in 2020 to 98.4% in 2021.

In 2021, a number of planned activities were undertaken which affected service on all lines in different ways. On the M1/M2, eight new trains were tested, among other things to increase the capacity of the two lines, which will reduce waiting times between trains even further. The new trains will be put into service in 2022. On the M3/M4, activities primarily concerned adjustments in relation to the relatively new metro system. In addition, it has been necessary to make a number of planned updates to the train operation control system.



## The Metro as an environmentally-friendly means of transport

### Carbon-efficient mode of transport

Compared to other modes of transport, the Metro is an environmentally-friendly means of transport. This is mainly because the Metro is powered by electricity, has a high utilisation rate as it is used by many people every day and is designed with a minimum lifetime of 100 years. During its long life, the Metro will be used by billions of travellers.

### Energy consumption

In 2021, total energy consumption was 31.6 million MWh, which is satisfactory given that service was maintained during the pandemic to provide transport for the many passengers who relied on the Metro in order to maintain key social functions. In 2020, the total amount of energy needed to operate the Metro grew due to the opening of the M3/M4, leading to an increase in the number of train kilometres driven and stations operated.

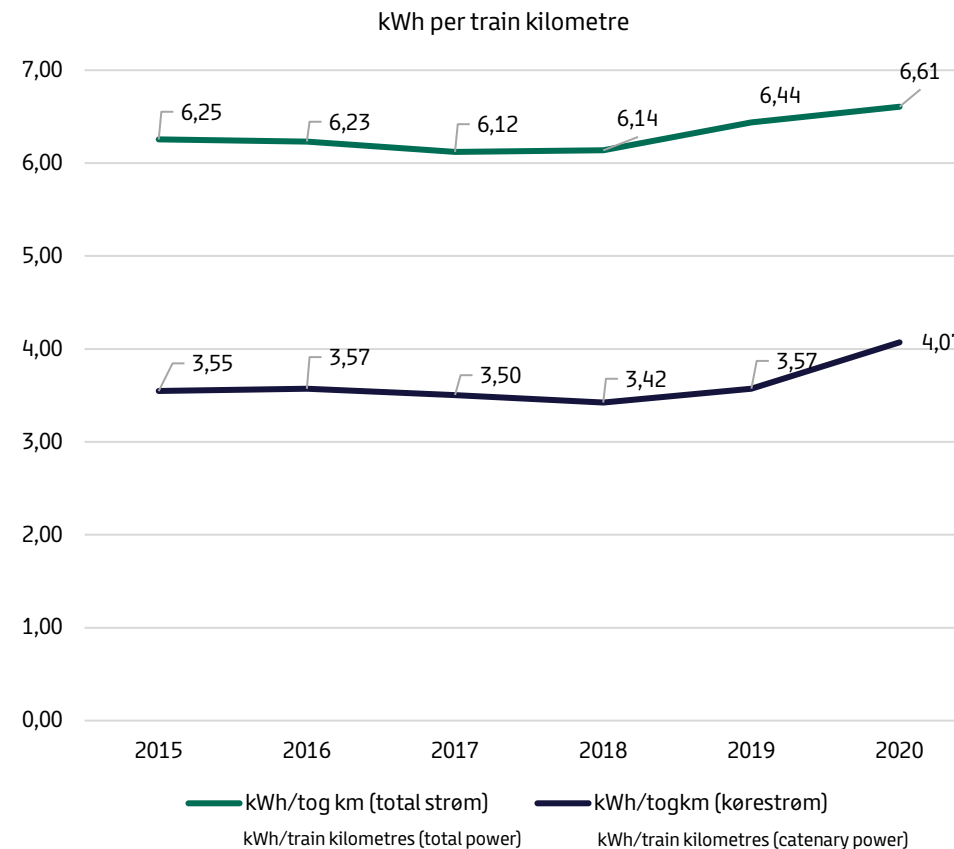
### Power consumption related to metro operations

Year	Catenary power (MWh)	Other power (MWh)
2021	18,307,420	13,285,622
2020	17,108,098	12,747,597

\*Covers operation of the M1/M2 only

Energy consumption per kilometre driven by the Metro has grown following the opening of the Cityringen line. As a result, we began exploring potential energy reduction initiatives in 2021, which will be followed up in the coming years.

### Energy consumption per kilometre driven by the Metro



The climate footprint of electricity generation in Denmark has declined in recent years, although it varies from year to year. As Denmark continues its transition to renewable energy, the climate footprint of electricity-powered transport, including the Metro, is expected to decrease.



**Climate action**

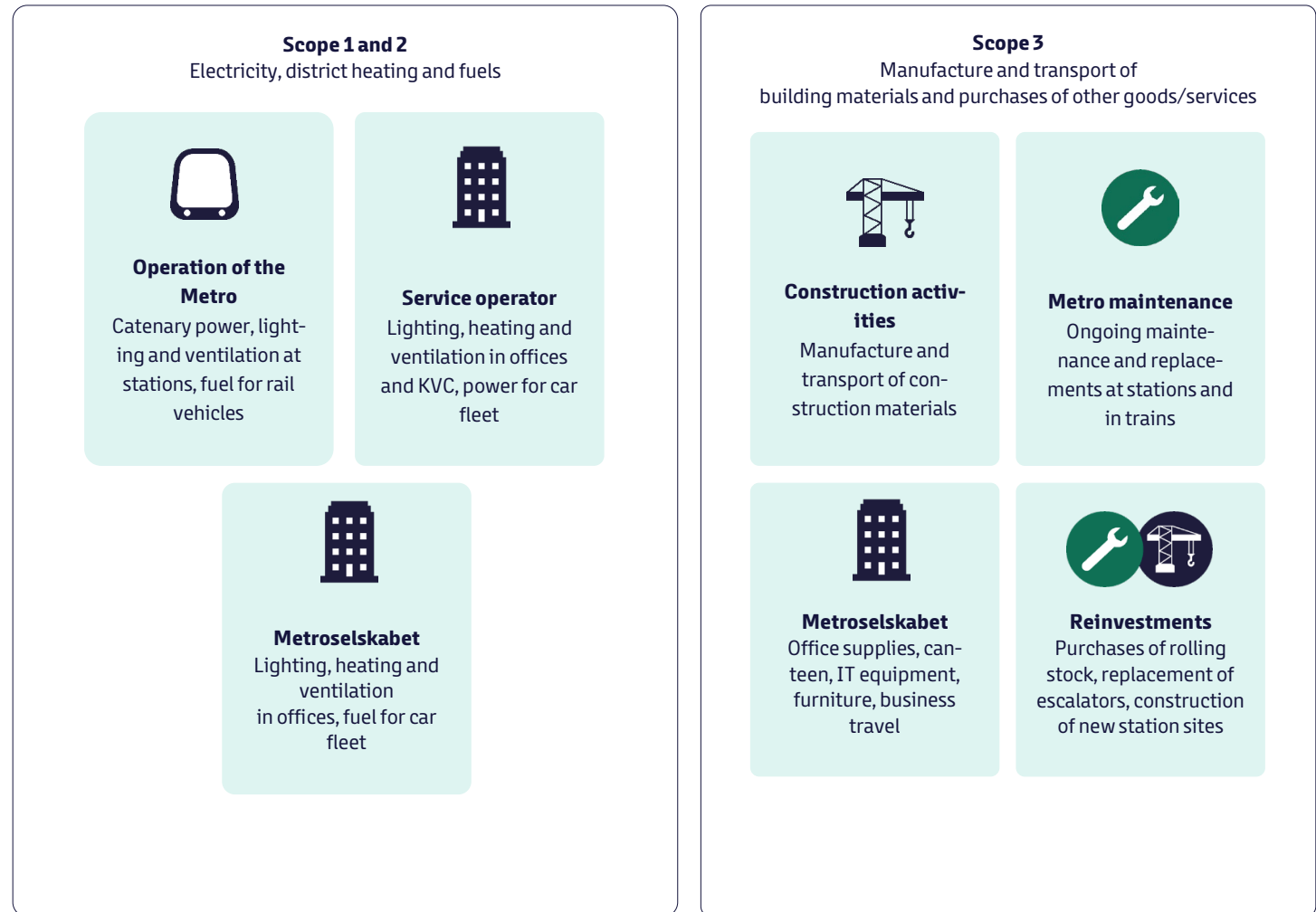
Metroselskabet’s efforts to limit the climate footprint of its operations are based on a life-cycle approach, which is about reducing both the direct sources of carbon emissions (referred to as scope 1 and 2) and the indirect carbon emissions (scope 3) associated with manufacturing and transporting the materials needed to construct and maintain the Metro.

The climate footprint from the operation of the Metro primarily comes from the energy consumed for catenary power and the running of stations as well as resource consumption related to maintenance. Maintenance includes continuous replacement of tracks, lifetime extension of trains and repair or replacement of station fixtures.

In 2021, the company initiated two pilot projects to reduce the climate footprint from operations and reinvestment in the metro system. The projects were aimed at reducing the energy consumption and climate footprint related to steel consumption in track maintenance, among other things.

The pilot projects were initiated in 2021, and are not expected to be completed until 2022, after which relevant carbon reduction initiatives can be decided. At the same time, the projects will provide insight into how climate footprint reductions can be integrated into Metroselskabet’s reinvestment programme.

**Carbon emissions from Metroselskabet’s activities by scopes**







### **Adapting to climate change**

The Metro is designed to withstand extreme flood and cloudburst events, but due to climate change and developments in the knowledge of flood events, it is necessary to continuously enhance its extreme weather resilience. On the M1/M2, cloudburst resilience has improved in recent years, resulting in a high level of rainfall resilience for this part of the Metro. The Metro remains vulnerable in the event of severe floods, nowadays especially from the sea towards the south, but in a few decades also from the sea towards the north.

In 2021, the company completed an evaluation of the Metro's current flood resilience which identified the most vulnerable points in the network. The evaluation also showed that any outer coastal protection solution must be established as a complete, uninterrupted defence from Kalveboderne in the south to Nordhavn in the north in order to benefit the Metro, and that the ongoing establishment of Lynetteholm would have a positive impact but that more is needed. In 2021, the company therefore worked with the Danish Ministry of Transport to identify the possibilities of developing a joint contribution model for funding outer protection measures to protect Copenhagen against floods. In addition, the company joined a working group to discuss an extension of the Ullerup dyke, which is critical to protecting Amager against flooding in the event of floods coming from the south.

### **Investing in maintenance and future capacity**

Metroselskabet is in the process of implementing a comprehensive programme designed to increase capacity. The programme is to ensure that the M1 and the M2, which are currently the two busiest lines, can accommodate the increase in passengers expected as a result of the population growth in the Greater Copenhagen area.

The decline in passenger growth due to COVID-19 means that the company expects slower short-term growth in passenger numbers than previously estimated. However, this has no bearing on our expectations of substantially higher passenger numbers in the long term which call for capacity increases.

Consequently, the company has reassessed the need for additional capacity in the coming years. The need should be aligned with the desire to minimise the number of passengers unable to get on the first departing metro train during morning rush hour. In 2022, the frequency is maintained at a minute and a half between trains on the M1/M2, and from 2023 the frequency can be increased by adding more trains when needed. This helps to adapt capacity to demand despite the heightened unpredictability caused by COVID-19 in the short term.

#### **New trains ready to enter service**

In order to maintain a consistent level of service, several activities were undertaken in 2021 to prepare eight new trains for service on the

M1/M2. The new trains will increase the number of trains in service by 20%. Test runs of the eight new trains were completed, and in December the company received the type approval and commissioning permit for the new trains. Shortly before Christmas, the trains were handed over to the operator for gradual entry into service from January 2022.

#### **New reused seats ensure better passenger flow**

In 2021, Metroselskabet decided to extend the installation of new seats to all trains on the M1/M2, putting in more flip-up seats and fewer fixed seats at the ends of the trains as well as fixed seats along the direction of travel in the rest of the trains. However, the new seats are not brand-new but reused old seats to minimise material consumption. Tests of changes in seat layout have demonstrated a better passenger flow due to more efficient entry and exit.

#### **Extending the lifetime of trains**

In 2021, the contract for maintenance to extend the lifetime of the existing trains on the M1/M2 was put to tender. The company decided to suspend the tender, however, as the tender basis had to be reassessed. In early 2022, the contract will be put to tender again with an updated requirements specification, which includes the new seat layout. The new tender does not change the overall objective of extending the lifetime of the trains to 2035.

#### **Track improvements in Vanløse**

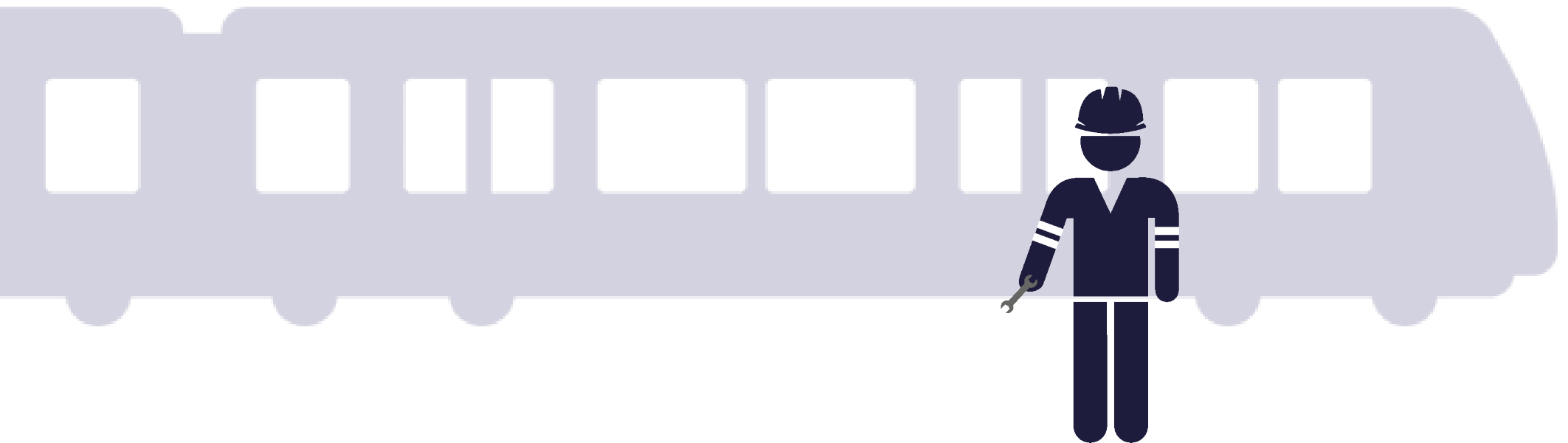
In 2021, Metroselskabet installed an additional switch at the terminus in Vanløse, allowing the trains to change the direction of travel more quickly. This will become necessary as more trains are added with a shorter departure frequency from 2023. The work went according to plan and required several tracks to be closed between Frederiksberg and Vanløse — primarily at night, but some tracks also had to be completely closed for a couple of days in late July. Commissioning is scheduled for the second quarter of 2022, when testing and safety certification are expected to be completed.

#### **Control and maintenance centre**

The eight additional trains on the M1/M2, which correspond to an increase in the number of trains of 25%, require modifications to be made to the control and maintenance centre in the western part of Amager. The tender process for the project was completed in 2021, and a turn-key contractor was selected. Construction begins in summer 2022. As a result of the project, operating training facilities need to be moved to another location in the area.

#### **Analysing the new control system on the M1/M2**

In a few years, the M1/M2's fully automated driverless control system will reach the end of its intended lifetime. In 2021, with the assistance of external advisors, the company analysed potential models for replacing the old control system with a new system to increase capacity and accommodate the expected growth in passenger numbers. The analysis is expected to be completed in 2022, and based on the analysis a decision will be made on an implementation model for the new system.



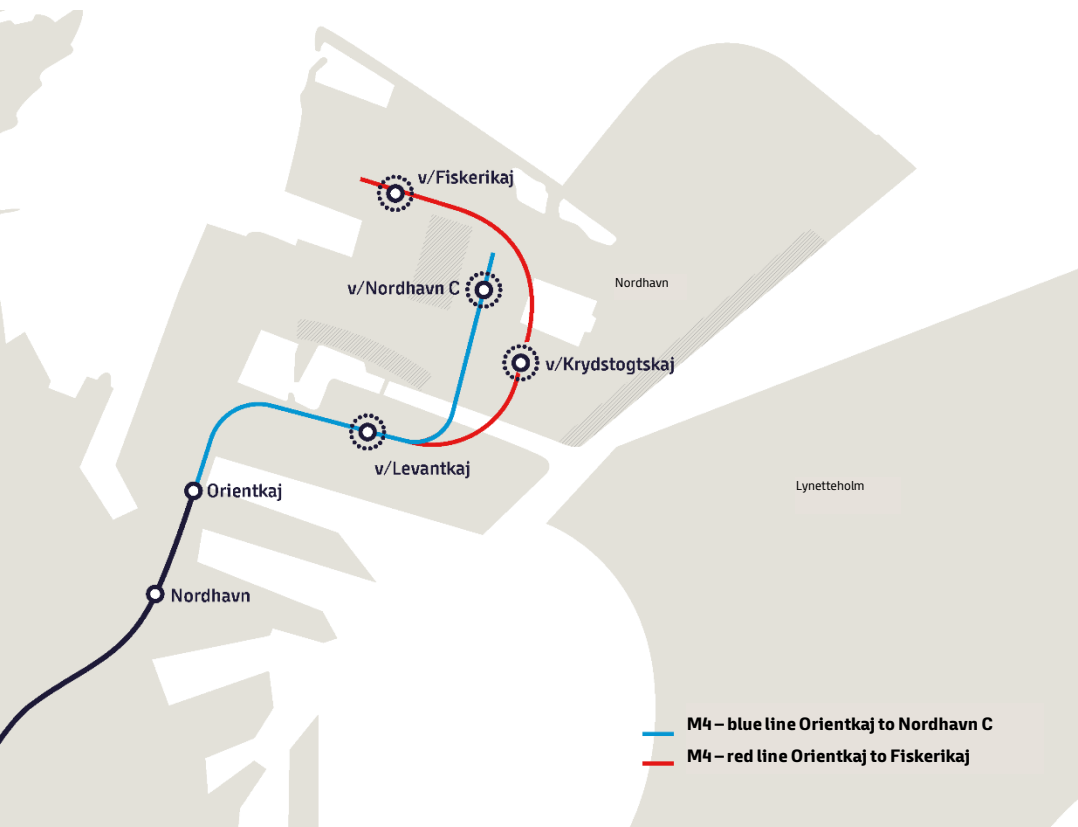
# Construction works







Metroselskabet is currently planning and building more metro lines for the citizens of Copenhagen as well as commuters and visitors from the Capital Region and the rest of Denmark. In 2021, the tunnel work for the new M4 Sydhavn line was completed and a political decision was made to extend the M4 Nordhavn line by adding an additional two to three stations. Finally, the preparatory work on the M5 line entered its second stage with the initiation of a strategic environmental impact assessment of Lynetteholm, an upcoming eastern motorway and an upcoming metro. Consequently, the metro network expands as Copenhagen grows and expectations of it change.



### Extending the M4 to Ydre Nordhavn

Nordhavn continues to develop and as the neighbourhood grows, so does the need for a metro line to serve the outer part of the area. Therefore, at the end of 2021, the City Council of Copenhagen began investigating the potential for two extensions of the M4 to Ydre Nordhavn. The metro line will be established as an extension of the elevated metro line at the Orientkaj station, and several possible station locations are being considered. The two potential alignments with stations are shown on the map.

The Metro’s climate footprint is envisaged to play a key role in the investigation, incorporating lessons learned from the company’s innovation programme with respect to climate-optimised design and use of alternative materials with a low carbon footprint.

The investigation is expected to take 12-14 months, and the result and the recommended alignment will be presented to the City Council of Copenhagen. Following this, an environmental impact assessment of the chosen alignment will be



carried out which will then be submitted for political approval, after which construction of the metro line can begin. The metro line to Ydre Nordhavn is scheduled for completion in 2030.

### Preparing the new M5 line

With a growing population and ambitions to reduce car traffic in the Danish capital, there is a need for expanding the Metro's capacity towards 2035. A new metro line, the M5, should help to address future capacity constraints in the existing metro network, including the M1/M2 and especially on the line from Amagerbro and under the port to Kongens Nytorv and Nørreport, where many passengers would otherwise not be able to get on the first departing train due to space constraints.

In 2020, a preliminary study of the metro service to Lynetteholm was conducted by Metroselskabet in cooperation with the City of Copenhagen, the Danish Ministry of Transport and Housing, Frederiksberg Municipality, the Danish Road Directorate and By & Havn. In July 2021, the Ministry of Transport and the City of Copenhagen continued their work on the new M5 metro line with the initiation of a strategic environmental assessment of Lynetteholm, which also includes an upcoming eastern motorway and an upcoming metro.

In the course of 2022, an environmental impact assessment of an upcoming metro line will be initiated. The general public will be invited to provide input, and the specific environmental impact of the Metro will also be analysed. The first section of the M5 is expected to be commissioned in 2035.



Possible placement of stations  
Stages



## Climate focus in construction and project development

### **Innovation programme to promote sustainability**

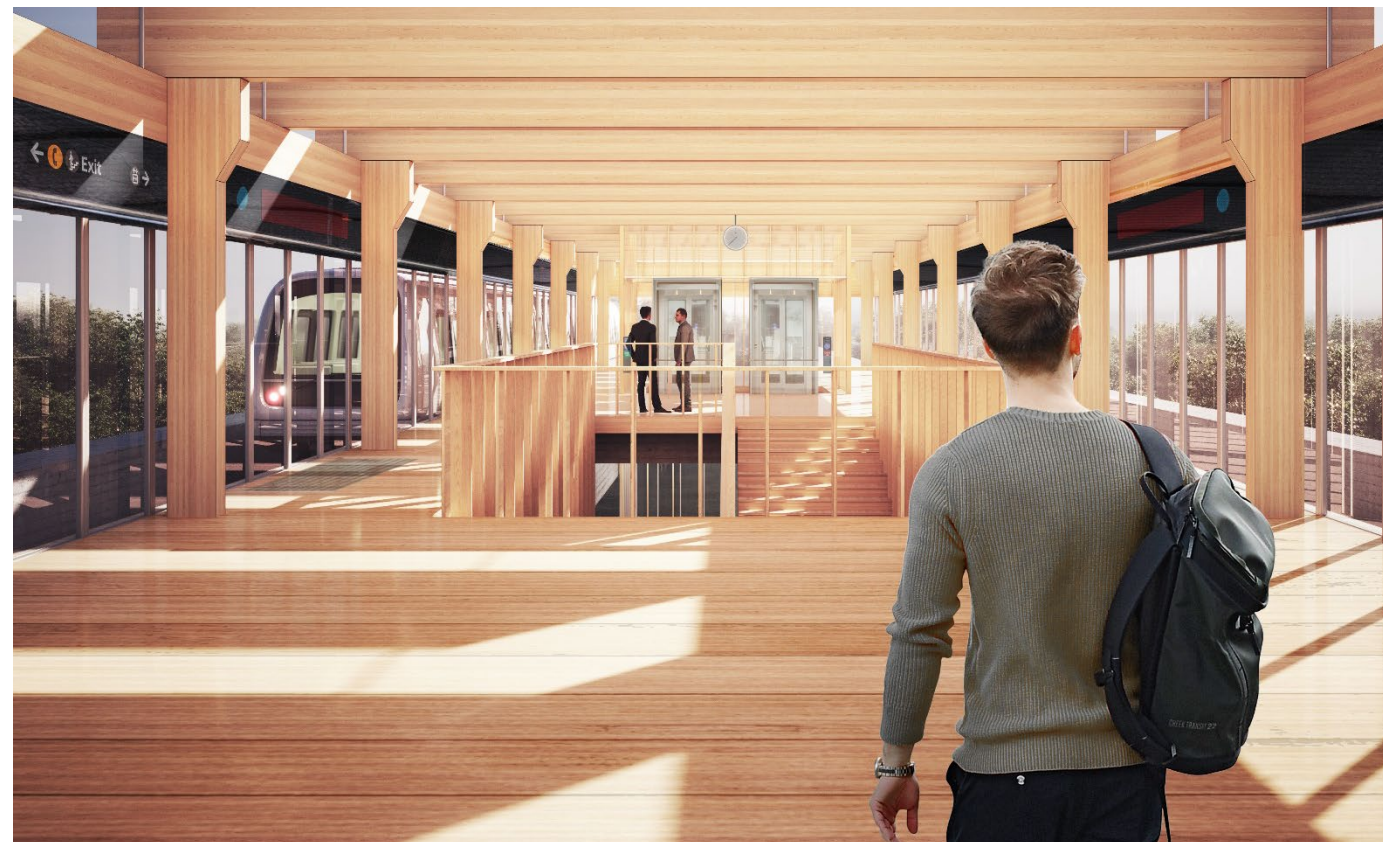
In 2021, Metroselskabet initiated an innovation programme to enable climate impact reductions when planning and designing future metro lines. The process focuses on designing current and future lines with lower climate and environmental impacts, strengthening on-time performance and the passenger experience as well as improving health and safety in the workplace.

The innovation programme was based on a market dialogue in which a number of players from different parts of the construction value chain were invited to come up with suggestions for how Metroselskabet can improve its projects going forward. The proposals were then translated into concrete technical studies.

One of the proposals suggested building elevated train stations with a station room and some load-bearing structures made of wood. The study showed that wood will lower the carbon footprint while maintaining the architectural quality of the Metro.

Another technical study addressed the potential for carbon emission reductions by changing the composition of the concrete used. The study describes the carbon gains and risks associated with the use of alternative binders and new types of green concrete on the market.

The innovation programme will continue in 2022 and 2023, and the sustainability gains are analysed using Metroselskabet's climate footprint model, among other things. By continuously highlighting the consequences of the individual actions, a decision can be made whether to incorporate the actions in the design of upcoming lines and/or the operation of existing lines.







**Introducing contract requirements and carbon accounts in new projects**

In 2021, Metroselskabet put to tender three projects involving stricter requirements designed to reduce climate impacts in the construction phase.

The construction contract for the expansion of the Metro’s control and maintenance centre in the western part of Amager included stricter limits for the level of embodied carbon of concrete and structural steel.

The tender of the transit area at København Syd between the Metro, long-distance trains and S-trains also included stricter limits for the level of embodied carbon of concrete and structural steel and requirements for smaller construction machinery to be electrically powered and for larger machinery to run on sustainability-certified bio-fuel (HVO100), which has a lower climate impact than fossil fuels.

The preparation of project proposals for another part of the transit area at København Syd must be based on climate accounts. The aim is to optimise material consumption and lower the carbon footprint of the project during the planning and design phase.

**The M4 Sydhavn line**

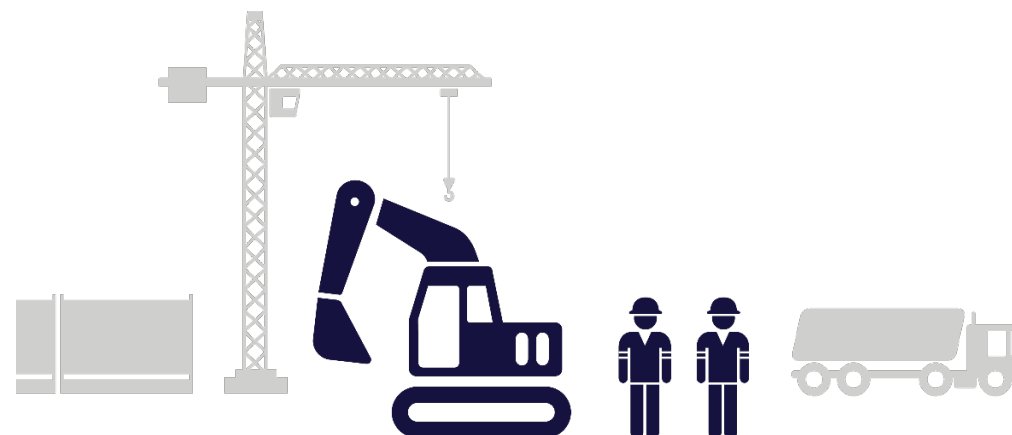
In 2024, the company expects to open the southern part of the M4 metro line, which with five new stations will connect several neighbourhoods in Valby and Sydhavn with the Copenhagen city centre, Østerbro and Nordhavn. The M4 Sydhavn line will significantly improve public transport in Copenhagen and connect the city even better with

easier access to the harbour front, residential areas and the many businesses and educational institutions being built at Sluseholmen, Teglholmen, HavneHolmen and elsewhere. At the same time, the M4 Sydhavn line, along with the rest of the metro network, will contribute to Copenhagen’s sustainable and ambitious climate agenda, with more people ditching the car and choosing public transport and bicycles as their preferred mode of transport.

Construction on the M4 Sydhavn line began in 2019, and in April 2021 the massive tunnel boring machine Inge broke through the last layer of lime at Havneholmen. The M4 Sydhavn line is now

connected to the M3 Cityringen line south of København H and beyond on the section of the line where they are to share tracks, signals and stations running through the city.

In late 2021, contractors began laying the tracks and installing electrical and mechanical systems and fitting the stations with wall panels, lighting etc. The work continues in 2022 before the expected test runs can begin in 2023. The new metro line will be 4.5 kilometres long and is expected to be used by about 9 million passengers annually by 2030.





## København Syd — one of Denmark’s busiest stations by 2024

### New transfer area becomes rail hub

When the M4 Sydhavn line opens in 2024, København Syd will quickly become one of Denmark’s largest rail hubs, serving the Metro, two S-train lanes as well as regional and long-distance trains. In future, København Syd will become a new ‘central station’ in Copenhagen, and Metroselskabet is expanding the underground traffic hub by adding a metro station and a shared transfer area for the different modes of transport.

To make the new København Syd ‘central station’ easy to navigate and inviting for travellers, a transfer area is constructed at the station from which passengers can easily transfer to the Metro, regional trains, the S-ring line and the Køge Bugt line. Banedanmark will later add platforms at the Øresund tracks for trains to the Ørestad and Copenhagen Airport. At the same time, a tunnel will be constructed under the Øresund platforms, making the station easy to access from the entire station catchment area. The transfer area and the M4 Sydhavn line will open in 2024. The facility is also prepared for subsequent construction work and urban development above the station.

### Covering København Syd and urban development at København Syd

As part of an agreement between the City of Copenhagen, Frederiksberg Municipality and the Danish State to construct an underground metro station at København Syd, Metroselskabet is exploring the possibility of covering the railway site



to accommodate future urban development and develop a comprehensive plan for the area. The covering is to help fund the new metro station through the sale of building rights, while creating urban value for the local community and Valby Syd.

In 2021, Metroselskabet conducted numerous technical feasibility studies to identify the opportunities and challenges of building above the

railway tracks. The technical and financial limits of the project will be clarified in the course of 2022 based on the feasibility studies. Subsequently, an architectural competition is expected to be organised, where teams are to submit their proposed plan for the area. In this context, efforts will be made to involve local residents and engage in a dialogue with the local community. The competition is expected to be held in 2023.





# About Metroselskabet



Our employees are our most important asset, and Metsroselskabet should always be a safe and secure place to work. A place where physical and mental health is a key priority and where everyone is free to express their views and who they are, no matter where they are from.

At the end of 2021, Metsroselskabet had 294 employees covering some 20 nationalities. This diversity creates an international multicultural working environment with a wide range of skills and experience which promote job execution and satisfaction and cooperation with contractors, operators, authorities and many others.

Metroselskabet is a knowledge-based company which handles complex tasks in the field of operations, planning and establishment of sustainable transport solutions. In terms of skills, our employees come from many different educational backgrounds, and many of them are highly experienced specialists. Approximately half have a background as an engineer, constructor or similar technical background, while the backgrounds of other specialists or administrative staff vary considerably.

#### **Increased recruitment in digitisation and environmental area**

At the end of 2021, employee numbers were broadly on a par with 2020 and 2019. In 2021, fewer employees were working on our construction projects due to reduced construction activity. However, there has been a significant increase in the number of specialists in the field of digitisation, IT, environmental and climate, and an increasing number of employees have been on loan to Hovedstadens Letbane.

#### **Synergies with Hovedstadens Letbane**

Metroselskabet provides resources for the establishment of the Greater Copenhagen Light Rail, which in 2025 will run between Lyngby and Ishøj. The Light Rail is expected to serve 13-14 million passengers annually and, like the Metro, it will be a reliable and sustainable alternative to the car. As early as 2015, drivers in the Greater Copenhagen area spent over 16 million hours stuck in traffic jams, and according to calculations congestion problems will double by 2030.

Hovedstadens Letbane was founded as an independent company. Approximately 30% of the Metro's employees work part-time or full-time on the light rail project, representing a broad range of skills, from design, construction and operations to sustainability, digitisation, communication and citizen involvement. By sharing their skills and experience, Metsroselskabet and Hovedstadens Letbane are able to achieve synergies and build a stronger professional environment which is attractive to the employees and the companies' stakeholders and partners.

#### **Staff turnover**

In 2021, Metsroselskabet had a staff turnover rate of 17%, unchanged from the past five years and marginally higher than the staff turnover rate in 2020. This is expected given that the Danish labour market was characterised by low unemployment







and high mobility in 2021. For a company like Metroselskabet, some staff turnover is important in order to bring in new know-how and new ways of working. However, the turnover should not be too high, as it is important to keep experience and knowledge of the many complex assignments we handle in the company. Metroselskabet seeks to be an attractive workplace by offering good working conditions, such as opportunities for further education, an attractive pension scheme and a safety net in case of mental or physical injury or illness. In 2021, Metroselskabet also focused on making sure that abusive behaviour does not occur on our sites. The company continuously measures its performance in this area and has taken steps to avoid abusive behaviour. The aim of these efforts is to make sure that our employees do not leave Metroselskabet due to poor working conditions or the company not being a good place to work.

**Own test centres and heightened focus on well-being during pandemic**

In 2021, in connection with the COVID-19 pandemic, the company stepped up its focus on well-being, offering, among other things, flexible scheduling for employees who had difficulty carrying out their work within normal working hours. In the vast majority of cases, the initiative proved a success thanks to the extra effort made by both employees and management.

In addition, Metroselskabet closely followed official COVID-19 recommendations to ensure a safe working environment for those working in our offices and on our construction sites. In 2021, more

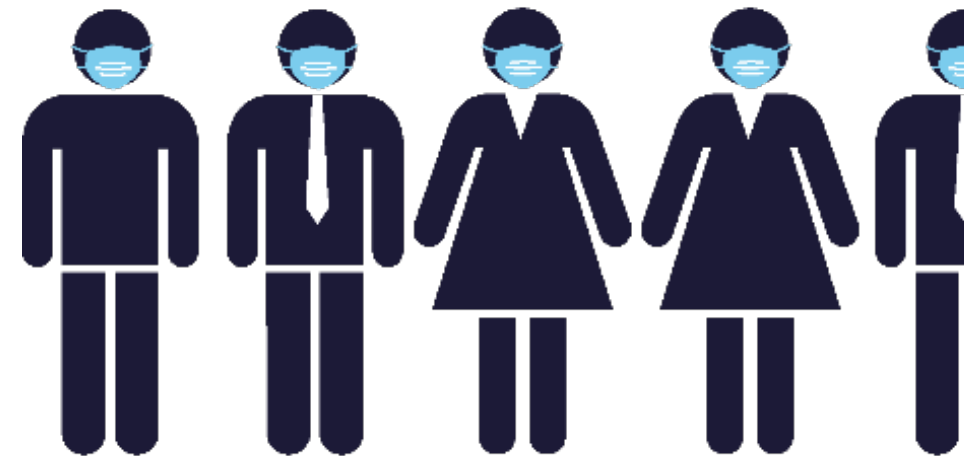
than 40,000 PCR tests were conducted by trained staff at the company’s own test centres on the M4 Sydhavn construction sites, and to provide further reassurance members of our employees’ household were also able to get tested at the centres.

In addition, the company handled infection tracing inside the company and coordinated communication to our employees about the latest restrictions and recommendations.

**Sickness absence**

In 2021, the average recorded sickness absence (excluding long-term illness, i.e. illness that lasts more than 21 days) was three days per employee. This is on a par with 2020 and lower than in previous years. Sickness absence was down despite the fact that up until December 2021 19 of the company’s employees had tested positive for COVID-19.

The decline in the number of sick days in 2020 and 2021 may be due to several factors, one being that many employees worked from home for much of 2021 due to the pandemic, and that working from home has become a more integral part of working life. It is likely that much of the absence which would previously have been recorded as sick days has instead been fully or partially recorded as days working from home. In the past year, nine employees were absent due to long-term illness, with about half suffering from work-related stress. This is broadly on a par with the level of absence in 2020, when 10 employees were absent due to long-term illness.





*“In 2021, we hired an equal number of men and women”*

Gender distribution

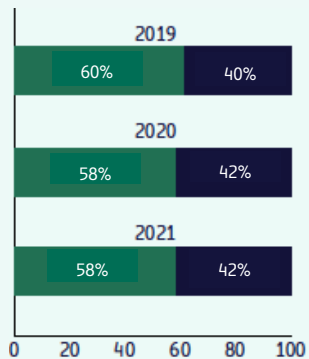
AMONG EMPLOYEES:

**2019-2021**

**60% men, 40% women**  
(2019)

**58% men, 42% women**  
(2020)

**58% men, 42% women**  
(2021)



Gender distribution

GENDER DISTRIBUTION AT DIRECTOR LEVEL:

**2019-2021**

**40% men, 60% women**  
(2019)

**40% men, 60% women**  
(2020)

**50% men, 50% women**  
(2021)

GENDER DISTRIBUTION AT MANAGER LEVEL,  
INCL. DIRECTORS

**2019-2021**

**57% men, 43% women**  
(2019)

**57% men, 43% women**  
(2020)

**60% men, 40% women**  
(2021)

Number of employees  
(excl. student staff), end of year



297 (2019)

297 (2020)

294 (2021)

Staff turnover

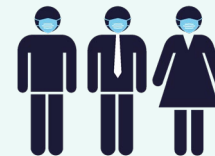
19% (2019)

16% (2020)

17% (2021)



Sickness absence per employee  
(excl. long-term illness)



4.3 (2021)

2.8 (2020)

2.8 (2021)

Age distribution

AVERAGE AGE:

45 (2019)

45 (2020)

45 (2021)



## Health and safety

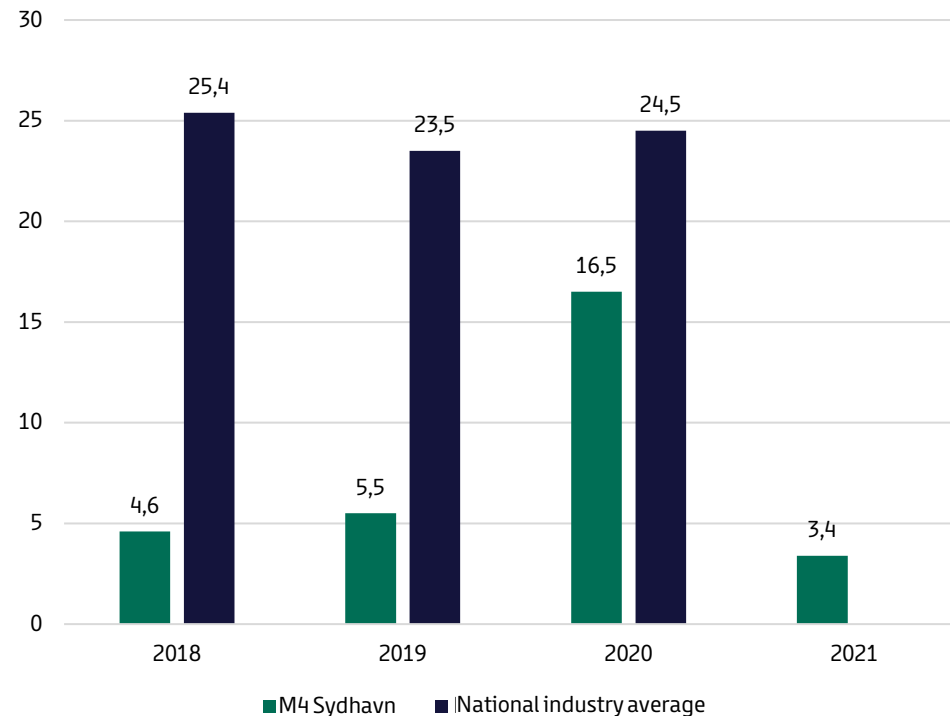
Metroselskabet is continuously working to strengthen our shared safety culture which comprises both the company and its contractors and subcontractors. In 2021, in line with the company's vision 'Safety on the right track', the company continued to hold a series of safety courses and workshops for the company's own workers and for the workers of its contractors and subcontractors. Since 2018, more than 2,500 workers and managers have attended the basic course 'Safety Orientation', which is mandatory for anyone working on one of the Metroselskabet's projects for more than four weeks. In addition, Metroselskabet has conducted in-depth investigations of accidents to translate the knowledge gained into preventive efforts on construction sites and in offices.

The targeted efforts seem to have had a positive effect on our safety performance, with the lost-time injury frequency rate of the M4 Sydhavn construction project being reduced to 3.4 in 2021. The lost-time injury frequency rate is calculated as the number of accidents resulting in absence from work per one million working hours. In comparison, the average for the Danish construction industry was 24.5 in 2020. The M4 Sydhavn line project had an overall lost-time injury frequency rate of 8.2 throughout its lifetime. The figure is still too high compared to our zero accidents target, but the improved performance may be indicative of a greater focus and commitment to safety among those working on the project.

In May 2021, the company recorded its first-ever fatal accident when a worker was tragically killed while working near a crane on the M4 Sydhavn construction site. In the months following the accident, the company conducted a thorough

investigation, assisted by external experts, to identify the chain of events leading to the accident, and introduced a number of new measures to improve safety on the construction sites. The fatal accident was a tragic reminder that although the lost-time injury frequency rate for 2021 was the lowest in the project's lifetime, even one accident is one too many.

### Lost-time injury frequency rate of the M4 Sydhavn project



The national lost-time injury frequency rates for the building and construction industry are calculated by the Confederation of Danish Employers

## Greater focus on digitisation

Since 2019, Metsroselskabet has significantly strengthened its commitment to digitisation in order to be able to utilise new technology in construction, operations and administration. Among other things, this will ensure much more efficient work processes when working with contractors, advisers and others involved in the construction of the Metro.

The number of trains, stations, tracks, etc. has increased with the opening of the M3 Cityringen and M4 Nordhavn lines, leading to a greater need for maintenance and reinvestment in future. Moreover, complex large-scale construction projects such as the M4 Sydhavn line, the extension of the M4 Nordhavn line as well as the upcoming M5 line, bring together many operators and disciplines during all stages of the project – from concept development and design to execution and operation. This places high demands on communication and information and data management, both over time and across disciplines.

The company's digitisation strategy addresses the demand for digital cooperation from external partners. A number of digitisation initiatives have been introduced to support the company's significant development potential.

### **Building Information Modelling (BIM)**

Much of the construction industry is moving from analogue drawings to digital 3D models. BIM is an effective method for ensuring collaboration throughout the entire construction process, from design through construction to operation. In

preparation of the implementation of BIM in Metsroselskabet's future construction projects, the company has purchased a Common Data Environment. The data environment is to serve as a common and central hub for generating, sharing and storing data, 3D models and information owned by Metsroselskabet, which can be accessed by all our business partners to strengthen collaboration and minimise the risk of conflicting views of the same process. In 2021, the company launched a series of pilot projects, with 3D models being used in ongoing construction projects in order to mature our organisation and business partners. In 2022, these will be followed up with the establishment of a new data governance project, the purpose of which is to create common and uniform structures for the company's data work to support the company's ambition to move from a document-oriented approach to a data-oriented approach.

### **Increased digital asset management support**

In 2021, the company digitised and automated a series of analytical reports with data on the Metro's operations. A more digital approach to asset management provides insight which can be used to derive maximum benefit from existing assets and facilitates efficient maintenance and reinvestment, enabling maintenance to be carried out with the least possible inconvenience to passengers.

### **Digitising underground cable information (LER)**

Metroselskabet is increasing digitisation of its own underground cable information in order to fulfil statutory requirements concerning the time limit for disclosure to the Danish Register of



Underground Cable Owners, which has been reduced from five days to two hours. The step will make the design and construction process much more efficient as the Register provides on-site contractors with an overview of underground cables, which helps to avoid digging damage to the cables. In 2021, the company acquired a Geo Information System (GIS) to detect the location of underground cables, and also purchased and set up a response robot that can automatically provide information about cables. The system is expected to be operational in the course of 2022. GIS is already





being used in connection with BIM on construction projects.

### **Digitally upgrading internal administrative workflows**

In 2021, the company identified the requirements to be placed on the future digital solution, which is to help the company to optimise its internal case-work, guidelines, case management data structures, approval processes and data usage across the company and in relation to business partners. The upcoming electronic document and case management system (ESDH) will be put to tender in 2022, after which the procurement, implementation and digital upgrade of administrative workflows can begin.

### **Data security and new IT service management system**

The threat landscape identified by the Danish Centre for Cybersecurity continues to call for a focus on cybercrime. Consequently, the company's Board of Directors launched a large-scale project in 2021 to improve cybersecurity in Metroselskabet and the metro lines in service.

The work involved updating and developing security policies, reviewing and replacing equipment as well as stepping up the recruitment of IT staff. In late 2021, the company hired a chief information security officer (CISO) who is to help raise Metroselskabet's cybersecurity maturity level and work with Metro Service to maintain the high level of performance of metro lines in service.

In 2021, the company purchased a service management system to manage and document IT security, enabling the company to conduct new risk assessments of the systems used within the company going forward. These initiatives should pave the way for certification according to the ISO 27001 information security standard in the first half of 2022.

In 2021, the company stepped up its efforts to raise awareness of cyber threats among its employees, including the threats that may arise when working from home. The company is experiencing ongoing threats related to attacks on close business partners.

### **Data ethics**

Metroselskabet's digitisation improvement efforts and resulting increased use of data-driven decisions give rise to data usage considerations in line with the data ethics policy requirement of the

Danish Financial Statements Act. Metroselskabet has not prepared a data ethics policy.

In 2022, the company will conduct an analysis and assessment of whether a separate data ethics policy is needed or whether the company's current and expected future data usage does not require a separate data ethics policy. Much of the company's data usage relates to data about physical entities, processes and deliveries needed to operate the Metro or facilities. This does not involve dealing with issues relating to technologies and people, and as such there is a limited need for ethical assessments.

In other parts of the company, the company handles and uses passenger data for analytical purposes to improve our customer service. Among other things, the company has established a data lake to increase data usage in analytics. The company currently does not use algorithms or software robots in its passenger analyses, but the company expects to use these technologies in future which will form part of the considerations of a data ethics policy.



# Financial performance





Metroselskabet must be operated on a commercial basis. Metroselskabet’s main financial obligation is to meet its long-term budget and ensure timely repayment of the company’s debt. Metroselskabet is also working on obtaining funding for new construction projects, which requires the company to continuously improve efficiency and reduce costs.

### Special conditions in 2021

Metroselskabet’s financial performance in 2021 was affected by COVID-19, and a change in revenue sharing between the public transport providers in the Greater Copenhagen area involving the abolition of the double-factor model had a particular impact on the company’s performance.

#### COVID-19

In 2021, as a consequence of COVID-19, Metroselskabet had significantly fewer passengers than expected, resulting in lower fare revenue. The company also had a number of extraordinary costs related to passenger service and communication.

*In 2021, Metroselskabet had the important task of maintaining metro services and ensuring that all regulatory requirements were met and that passengers could feel safe using the Metro despite the pandemic.*

Since the Danish State has compensated the company for the financial consequences of COVID-19, the company’s financial performance is not affected.

#### Revenue sharing in the Greater Copenhagen area

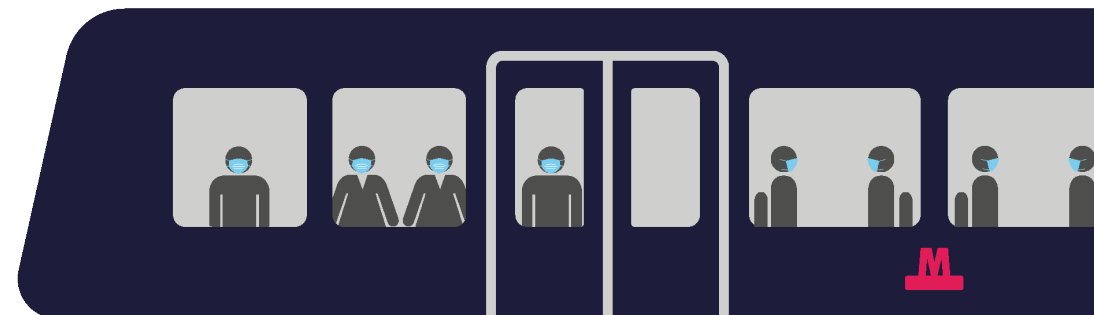
In accordance with the 2005 political agreement on the construction of the M3 Cityringen line, the Danish State, via DSB, paid an indirect construction grant via the double-factor model as part of the revenue sharing among public transport providers in the Greater Copenhagen area. The model was introduced under the ‘Order on ticket revenue sharing in the Greater Copenhagen area’ and was part of the financial conditions at that time for the establishment of Metroselskabet. The Order was amended with the abolition of the double-factor model effective from 1 January 2021. Based on the assumptions underlying the decision-making basis for the M3 Cityringen line, the average forward-looking financial impact of the amendment of the Order will be that Metroselskabet’s revenue base is reduced by annual amounts in the range of DKK 278-384 million, or DKK 14,9 million in total for the period up to and including 2060.

Simultaneously with the abolition of the double-factor model, the Danish State made a corresponding capital contribution of DKK 14.9 billion to Metroselskabet. In doing so, the Danish State fulfils its obligation under the political agreement reached at the time of the foundation of the company. In connection with the capital contribution, the Danish State issued a debenture with ongoing payments to Metroselskabet.

In the financial statements 2021, the amendment of the Order affected the company’s calculation of

the recoverable amount and thus the value of its non-current assets and impairment and write-downs for the year, receivables from the owners and equity. The company’s impairment of the value of the Metro amounted to DKK 12,215 million in 2021, while the company’s equity was boosted by an owner contribution of DKK 14,919 million from the Danish State represented by the Ministry of Transport, of which a corresponding owner contribution receivable was recognised under assets. Please refer to the notes in the financial statements for information on the respective areas.

#### Profit/loss







The profit before depreciation, impairment and write-downs was DKK 318 million, which is in line with expectations, as the company received compensation for losses caused by the COVID-19 pandemic. The company's profit margin was 22%.

Even though the profit before depreciation, impairment and write-downs was in line with expectations, the company's revenue structure changed as a consequence of COVID-19. In 2021, the company's revenue totalled DKK 1,754 million, of which DKK 805 million came from ticket sales (joint fare system) and DKK 29 million primarily from leasing out the Metro to the service operators. In addition, the value of own work amounted to DKK 137 million, while other operating income amounted to DKK 783 million, of which DKK 708 million relates to compensation from the Danish State as a result of COVID-19.

Fare revenue and income from leasing out the Metro were considerably lower than expected due to COVID-19, resulting in substantially fewer passengers and lower per-passenger fares as well as the abolition of the double-factor model effective from 1 January 2021 which also led to lower per-passenger fares. As mentioned earlier, the Danish State compensated the company for the abolition of the double-factor model.

In 2021, the Metro had 73.4 million passengers compared to the original budget of 136.6 million passengers. The per-passenger fare was DKK 10.91 compared to an expected per-passenger fare of DKK 11.56. The compensation of DKK 708 million received from the Danish State for the financial consequences of COVID-19 is recognised under other operating income.

The company's costs amounted to DKK 1,373 million in 2021, of which DKK 1,095 million related to costs for the payment of operators for the operation and maintenance of the Metro and contract management, etc. In addition, the company's costs consist of staff costs of DKK 235 million and other external costs of DKK 43 million.

Depreciation, impairment and write-downs totalled DKK 12,657 million in 2021, of which depreciation related to the Metro in service amounted to

DKK 442 million and impairment related to construction of the Metro amounted to DKK 12,215 million. The impairment of DKK 12,215 million is primarily due to the aforementioned decision to abolish the double-factor model effective from 1 January 2021. Depreciation, impairment and write-downs are solely an accounting registration that has no impact on liquidity.







## Operating profit/loss for the Metro

	2021	2020
Fare revenue	805	864
Metro operating income	29	91
Other operating income	745	752
<b>Total metro operating income</b>	<b>1,580</b>	<b>1,707</b>
Payment for operations	-1,050	-1,067
Contract management, etc.	-31	-38
Other expenses	-15	-17
Administrative expenses	-103	-61
<b>Total metro operating expenses</b>	<b>-1,198</b>	<b>-1,183</b>
<b>The Metro's operating profit/loss before depreciation, impairment and write-downs</b>	<b>381</b>	<b>524</b>
Depreciation, impairment and write-downs	-442	-790
<b>The Metro's operating profit/loss before financial items</b>	<b>-61</b>	<b>-266</b>
Profit margin before depreciation	24%	31%

Definition: The profit margin before depreciation is calculated as the profit/loss before depreciation relative to total income.

The Metro's operating profit/loss cannot be derived directly from Metroselskabet's income statement, but is shown in Notes 2 and 21 to the financial statements.

The fare payments are based on average revenue per passenger of DKK 10.91 in 2021, calculated on the basis of the Ministry of Transport's Order on ticket revenue sharing in the Greater Copenhagen area.

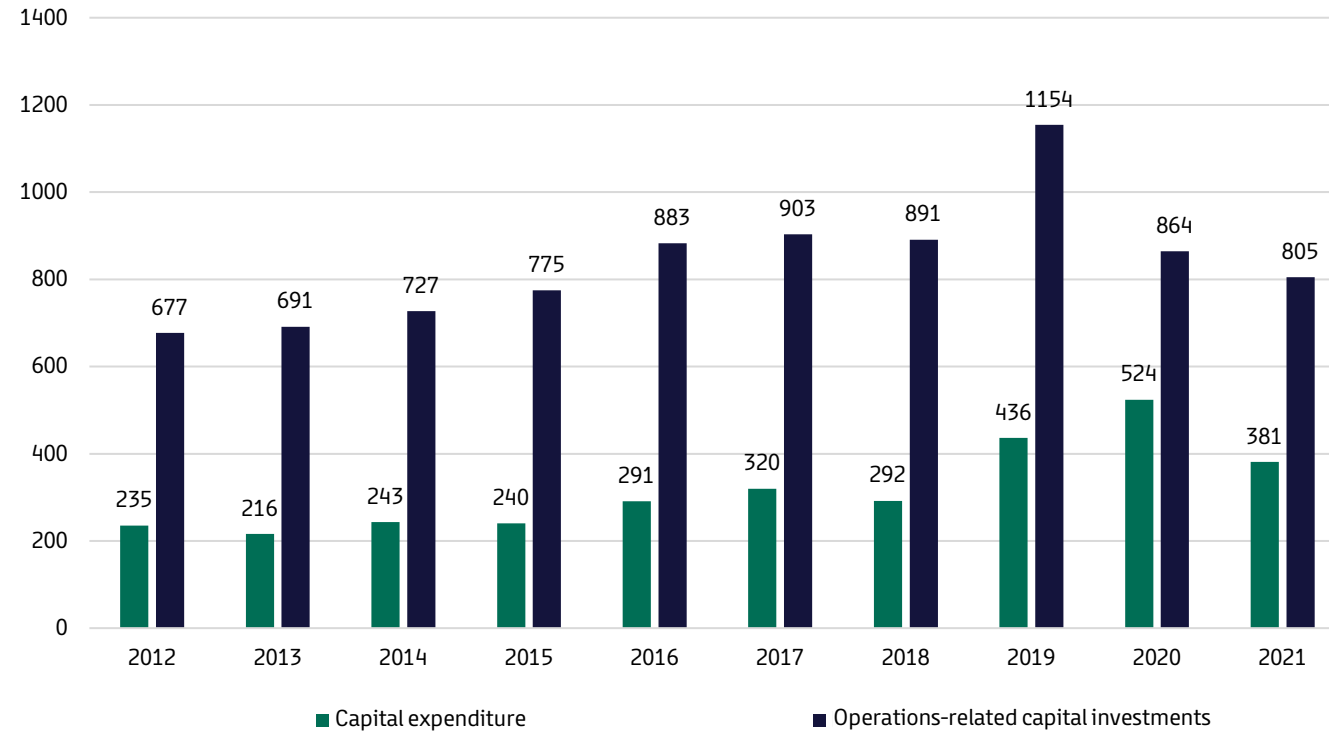


The loss for the year before financial items was DKK 12,275 million. Financial items comprise interest income of DKK 374 million and interest expenses of DKK 754 million. The loss before market value adjustment amounted to DKK 12,656 million.

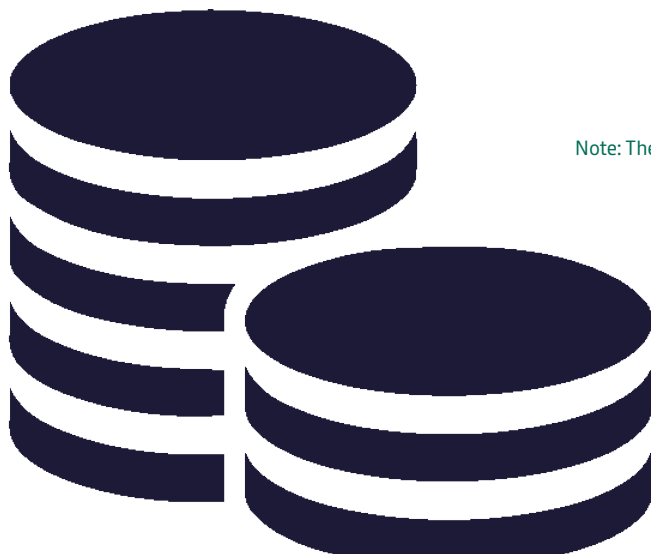
The market value adjustment, which can be attributed primarily to the company's financial interest rate hedging agreements, amounted to income of DKK 931 million. The hedging was made in order to increase the budget certainty of the company's finances in the long term. The adjustment is solely an accounting registration that has no impact on liquidity, since the intention is to retain the agreements until maturity.

The net loss for the year amounted to DKK 11,725 million.

Development in profit/loss before depreciation, impairment and write-downs and in fare revenue (adjusted for one-off revenue) 2012-2021



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





**Development in equity**

The net loss for the year was taken to equity which became negative, amounting to DKK -2,446 million.

The company's adjusted equity, i.e. exclusive of market value adjustments, amounted to DKK 5,190 million at the end of 2021. The adjusted equity rose by DKK 2,263 million compared to 2020 due to the Danish State's contribution of DKK 14,919 million and a loss before market value adjustments of DKK -12,656 million.

**Value of the Metro**

The carrying amount of the Metro as a whole is reviewed annually in order to determine whether there are indications of impairment. The recoverable amount is calculated on a combined basis for the commissioned Metro and the M4 Sydhavn line, as they will constitute a single cash-generating unit.

The future cash flows, which are included in the capital asset value, are based on the company's current long-term budget and the expectations contained in it, see the appendix to the management commentary, as well as the expected level of interest. When calculating the recoverable amount, the estimated future cash flows are discounted to present value.

At the end of 2021, the recoverable amount was lower than the book value, and as a result the value of the asset has been impaired. The impairment was DKK 12,215 million as stated in Note 7 to the financial statements.

The assumed level of interest (the discount factor) constituted the main element of uncertainty in the calculation.

The company applied the expected development in interest rates in the valuation (the recoverable amount), which includes a risk surcharge to counter the uncertainty associated with the development in interest rates. If the company had instead applied the current lower market rate, the value would have been significantly higher and the net profit or loss for the year would have been much higher.

Similarly, the profit or loss would have been lower if an expectation of higher interest rates had been applied. The calculation of the risk exposure to the expected development in interest rates is shown in Note 7 to the financial statements.

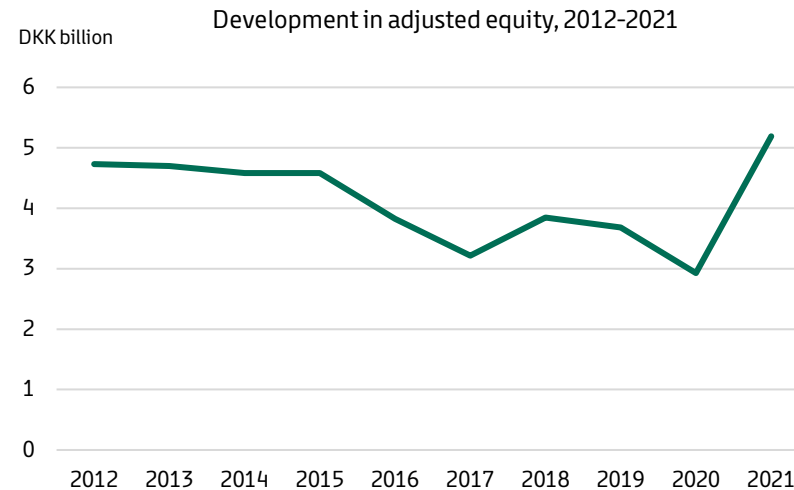
**Market value of debt**

The present low interest level is also reflected in the calculation of the market value of the company's debt and the derivative financial instruments used to hedge the interest rate risk associated with the company's present and future debt. In this respect, the company has entered into interest rate hedging agreements for much of the company's 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 for its debt repayment.

Similar to the valuation of the Metro, the market value of the debt increases when the interest rate level of the debt decreases.

**Stabilising fluctuations in equity**

The fluctuations in the two accounting items are not expected to balance each other out, among other things because different interest rates are used (long/short-term interest rate and a fixed/inflation-pegged/variable interest rate) to



Adjusted equity corresponds to equity after market value adjustments, see the statement of changes in equity.

the items. Nevertheless, applying current interest levels in connection with the valuation of the debt would stabilise fluctuations in the company's equity in the event of significant interest rate fluctuations.

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

**Investment in the Metro**





Metroselskabet expects to invest approximately DKK 5.7 billion in total up to 2024. In 2021, total investments in the Metro and new construction amounted to DKK 1.8 billion. The amount primarily comprised investments of DKK 1.3 billion in the M4 Sydhavn line, investments of DKK 0.3 billion in capacity expansions and maintenance of the M1/M2 as well as investments of DKK 0.2 billion in the M3/M4 and other investments in the Metro.

The total construction budget for the M4 Sydhavn line of DKK 9.7 billion, including an adjustment reserve (2022 prices), is based on the construction contracts concluded for the transport system as well as the construction work. It is assumed that the M4 Sydhavn line opens in 2024. At 31 December 2021, DKK 5.2 billion of the total investment in the M4 Sydhavn line had been invested.

**Investment budget for the Metro**

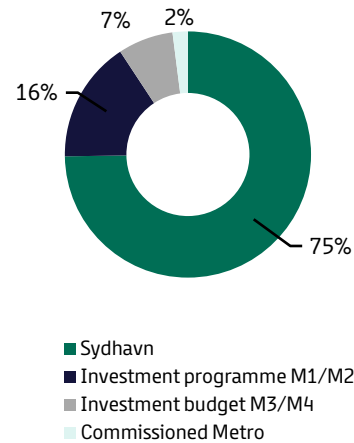
All figures in DKK million	Investments in 2021	Investments at 31 December 2021	Total investment budget	Total investment budget
Sydhavn <sup>1</sup>	1,339	5,196	9,672	8,627 (2014 prices)
Mobilisation and trial run	286	594	2,243	-
Investment programme M1+M2	130	233	552	-
Other investments in the Metro	36	155	664	-
<b>Total</b>	<b>1,791</b>	<b>6,178</b>	<b>13,131</b>	-

<sup>1</sup> Incl. adjustment reserve

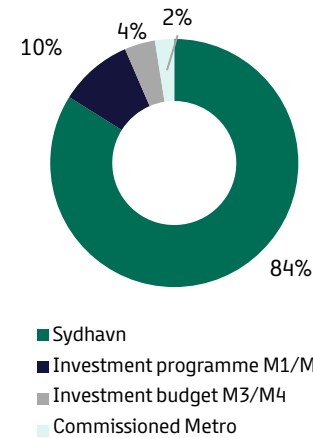
The carrying amount of the Metro is stated at DKK 14 billion in the balance sheet, as the Metro is valued on the basis of the expected capital asset value of the Metro as a whole, with due consideration being given to the capital investments planned.



Investments for the year in 2021



Total investments at 31 December 2021 by construction projects



### Capital and long-term finances

In connection with the company's budgeting for 2022, an updated long-term budget has been prepared. The updated long-term budget is based on the Board's decision to recognise the expected loss caused by the decline in passenger numbers following COVID-19 in the 2022-2027 period (passenger recovery) and the increase in the company's interest rate hedging to 80% of the company's debt.

The long-term budget shows that the company's net debt is expected to peak at approximately DKK 33.6 billion (in current prices and including interest) in 2025. The profit from the operation of the Metro will then be used to repay the debt.

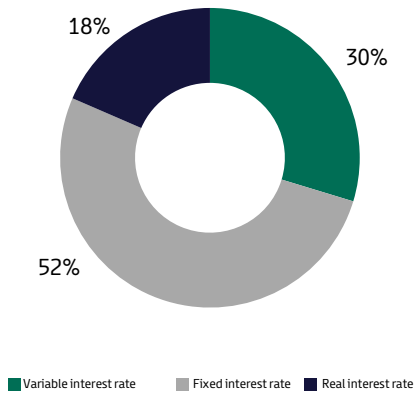
The debt is expected to be repaid in 2062. The repayment period is thus extended by one year compared to the previous long-term budget primarily as a result of expected losses caused by COVID-19.

The long-term budget is based on a number of assumptions concerning interest rate development, passenger numbers, per-passenger revenue, etc. and is therefore subject to the uncertainty that always surrounds forecasts of future events.

Each year, a finance strategy is determined so as to ensure appropriate financial management that minimises the long-term financial costs, with due consideration being given to financial risks. Financial management within the defined strategy is undertaken by Sund og Bælt Partner. This is laid down and described in Metroselskabet's Memorandum of Association.

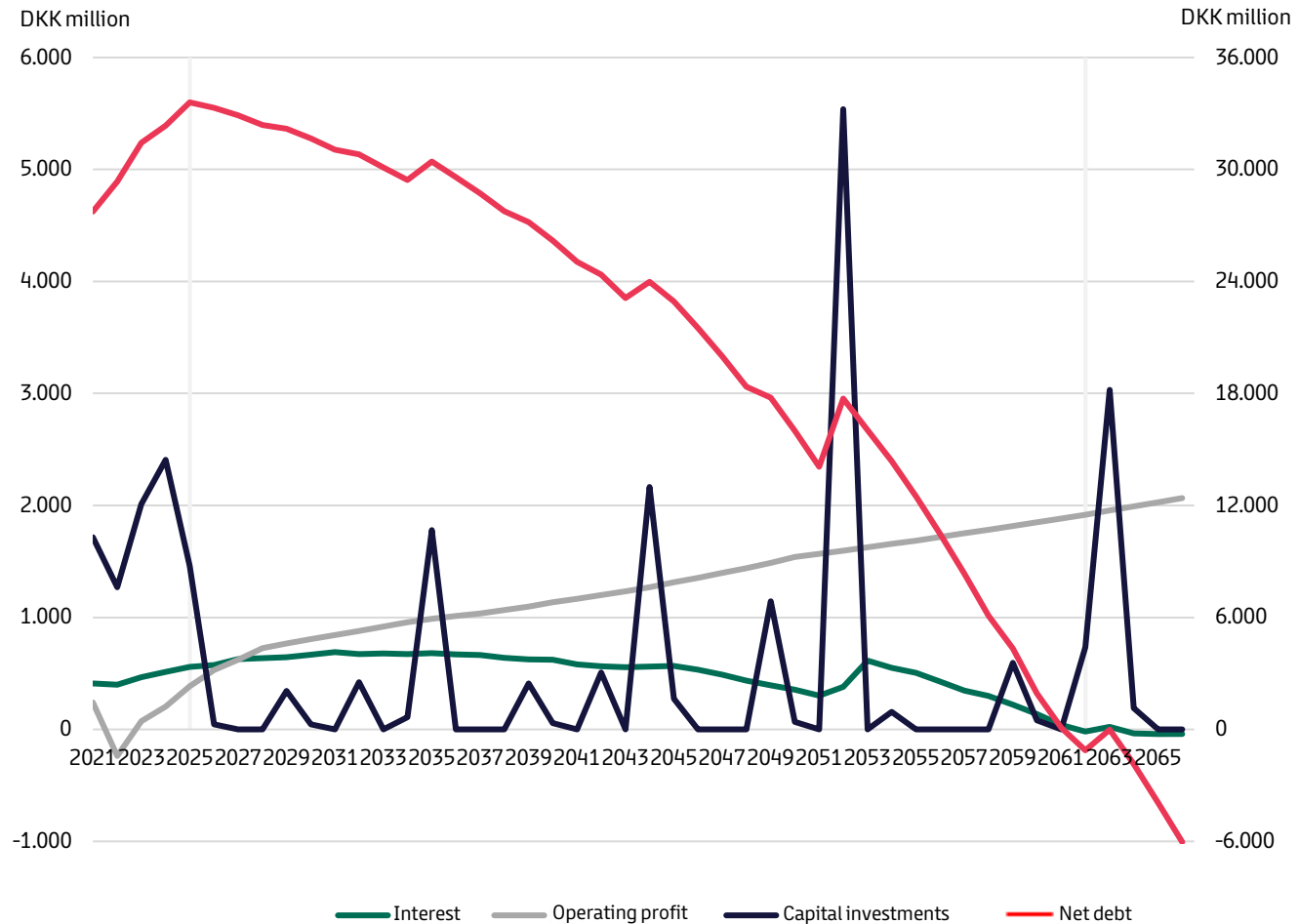


Distribution of interest at 31 December 2021 in relation to current debt



As partners in the company, the Danish State, the City of Copenhagen and Frederiksberg Municipality are directly, unconditionally, and jointly and severally liable for all of Metroselskabet's obligations, including the loans taken out by Metroselskabet. Due to the joint and several liability of the Danish State, Metroselskabet is indirectly subject to the same credit rating as the State, which is AAA/-Aaa.

This means that Metroselskabet can generally achieve terms in the capital market which are comparable to those available to the Danish State. In addition, Metroselskabet has access to relending with Danmarks Nationalbank. Relending is a loan taken out directly by 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.







### Ministry of Transport ratios

The Ministry of Transport has drawn up a strategic ownership document that includes several requested ratios.

The abolition of the double-factor model on 1 January 2021 will lead to lower fare revenue for Metroselskabet and consequently a lower net profit or loss for the year. As a result, the ratios in the table below have been adjusted for the period 2016-2020 in relation to the abolition of the double-factor model.

In addition, the 2020 and 2021 ratios take into account the compensation received due to COVID-19. Passenger numbers have hence been adjusted in relation to the expected passenger numbers (i.e.

not the realised passenger numbers). The ratios are thus comparable over the period.

### Profit margin

In the long term (10 years), the profit margin is estimated to be between 20% and 25%. In 2021, the profit margin amounted to 22% compared to 15% in 2020. The change is primarily due to the development in passenger numbers and per-passenger revenue.

### Operating profit per passenger:

In the long term (10 years), the operating profit per passenger is estimated to be DKK 4. The operating profit per passenger was DKK 2.80 in 2021 compared to DKK 2.00 in 2020. The change is primarily due to the development of per-passenger revenue.

### Interest coverage ratio

The interest coverage ratio is expected to eventually reach 1.5. However, in the construction phase and in the first years of operation, the interest coverage ratio will be below 1.5, as the financial costs resulting from borrowing to pay for construction costs will be higher than the operating profit generated by the Metro in service.

In 2021, the interest coverage ratio was 1.0 compared to 0.7 in 2020, which means that the company's financial items are on a par with the company's operating profit from the Metro in service.

Key figures and ratios	2016	2017	2018	2019	2020	2021
Profit margin	8%	10%	9%	13%	15%	22%
Operating profit per passenger	1.8	2.0	1.9	3.0	2.0	2.8
Interest coverage ratio	0.3	0.4	0.4	0.7	0.7	1.0

#### Note:

Profit margin: EBITDA divided by total revenues

Operating profit per passenger: EBITDA (adjusted for extraordinary conditions) divided by the number of passengers

Interest coverage ratio: EBITDA divided by financial items



## Key figures and ratios

All figures are stated in DKK million	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenue	1,100	1,125	1,301	1,294	1,473	1,519	1,492	1,945	1,936	1,754
<b>Profit/loss before depreciation, impairment and write-downs</b>	<b>235</b>	<b>216</b>	<b>288</b>	<b>240</b>	<b>291</b>	<b>320</b>	<b>292</b>	<b>436</b>	<b>524</b>	<b>381</b>
Depreciation, impairment and write-downs	1,772	-484	-2,392	-3,531	-708	-567	215	-516	-1,430	-12,657
Profit/loss before financial items	2,007	-267	-2,104	-3,291	-417	-247	507	-81	-906	-12,275
Financial items	-123	-64	-149	-229	-337	-363	-322	-325	-330	-380
Profit/loss before market value adjustment	1,884	-331	-2,254	-3,520	-754	-610	184	-406	-1,236	-12,656
Market value adjustment	-550	2,138	-3,712	825	-1,562	695	-143	-2,175	-1,538	931
Net profit/loss for the year	1,335	1,807	-5,966	-2,695	-2,316	85	42	-2,581	-2,775	-11,725
Balance sheet total	10,077	12,633	15,953	17,308	23,270	24,851	30,380	38,771	41,210	41,532
Investment in the Metro for the year	2,332	3,170	3,420	3,842	4,654	2,875	3,392	3,616	2,207	1,812
Non-current liabilities	6,600	7,345	12,900	13,287	22,895	22,078	27,696	37,555	41,755	37,806
Equity	1,637	3,744	-87	737	-1,579	-1,495	-1,007	-3,347	-5,639	-2,446
<b>Adjusted equity*</b>	<b>4,731</b>	<b>4,700</b>	<b>4,581</b>	<b>4,580</b>	<b>3,825</b>	<b>3,215</b>	<b>3,846</b>	<b>3,680</b>	<b>2,927</b>	<b>5,190</b>
Solvency ratio	16%	30%	-1%	4%	-7%	-6%	-3%	-9%	-14%	-6%
Adjusted solvency ratio	47%	37%	29%	26%	16%	13%	13%	9%	7%	12%
Profit margin	21%	19%	22%	19%	20%	21%	20%	22%	27%	22%
Profit margin on metro operations	24%	22%	25%	22%	23%	25%	23%	26%	31%	24%
Rate of return	2%	2%	2%	1%	1%	1%	1%	1%	1%	1%
Number of passengers (million)	54	55	56	57	61	63	64.7	79	63.7	73.4
Number of employees (year-end)	219	242	274	289	325	330	338	332	333	324

Note: Adjusted solvency ratio = capital excl. market value adjustment x 100/total assets.

Due to the abolition of the double-factor model on 1 January 2021, the key figures and ratios for 2021 are not directly comparable to the period from 2012-2020.

## Arbitration cases, etc.

On 10 January 2020, Metroselskabet's contractor for the construction of the M3 Cityringen line, CMT, submitted their final account in which their claims were presented.

The final account included claims totalling approximately EUR 805 million (approximately DKK 6.0 billion). Of this amount, approximately EUR 420 million (approximately DKK 3.1 billion) concerned claims for which there was a payment cap of EUR 234.5 million (DKK 1.8 billion). The remaining EUR 385 million (approximately DKK 2.9 billion) concerned claims for which there was a payment cap of EUR 7.5 million (DKK 56 million). The claims have been brought before the arbitration tribunal.

In accordance with the provisions of the contract, CMT and Metroselskabet entered into negotiations on CMT's additional claims.

In the pending arbitration case, Metroselskabet submitted its first statement of defence in October 2020, claiming that CMT's claims be dismissed. In its defence, the company demanded that the arbitration tribunal reject CMT's claims. Metroselskabet and its lawyers are still of the opinion that CMT's claims in the arbitration case should essentially be dismissed and as such – subject to the customary procedural risk – do not give rise to any additional payment to CMT.

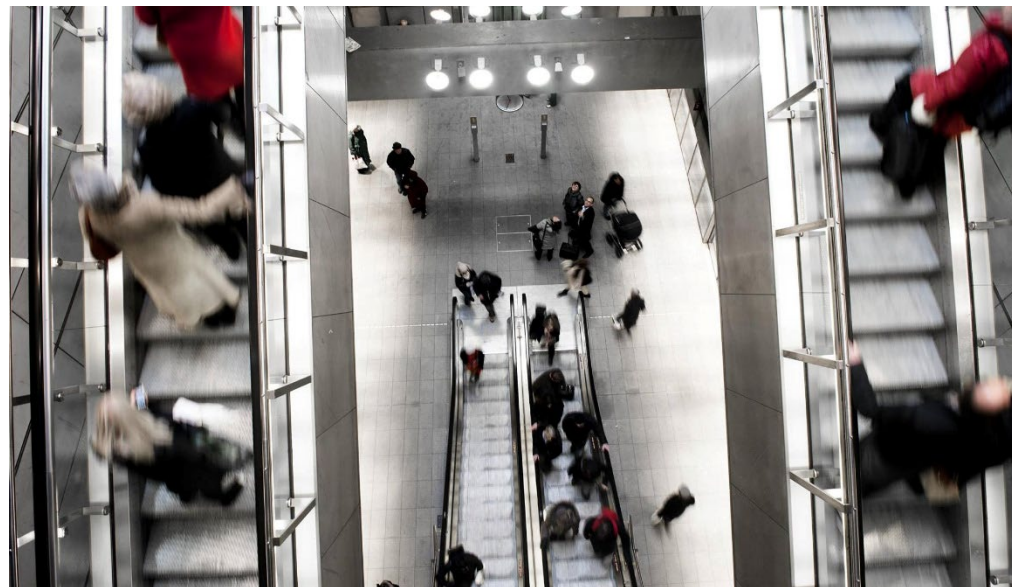
## Procedures for the presentation of financial statements and use of IT

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 the division 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 to the Board of Directors and the owners and updates of the outlook for the year. In addition to the income statement, balance sheet, cash flow statement, statement of changes in equity and notes, the reporting includes a description of the current status on the company's construction and project budgets, and the financial circumstances.

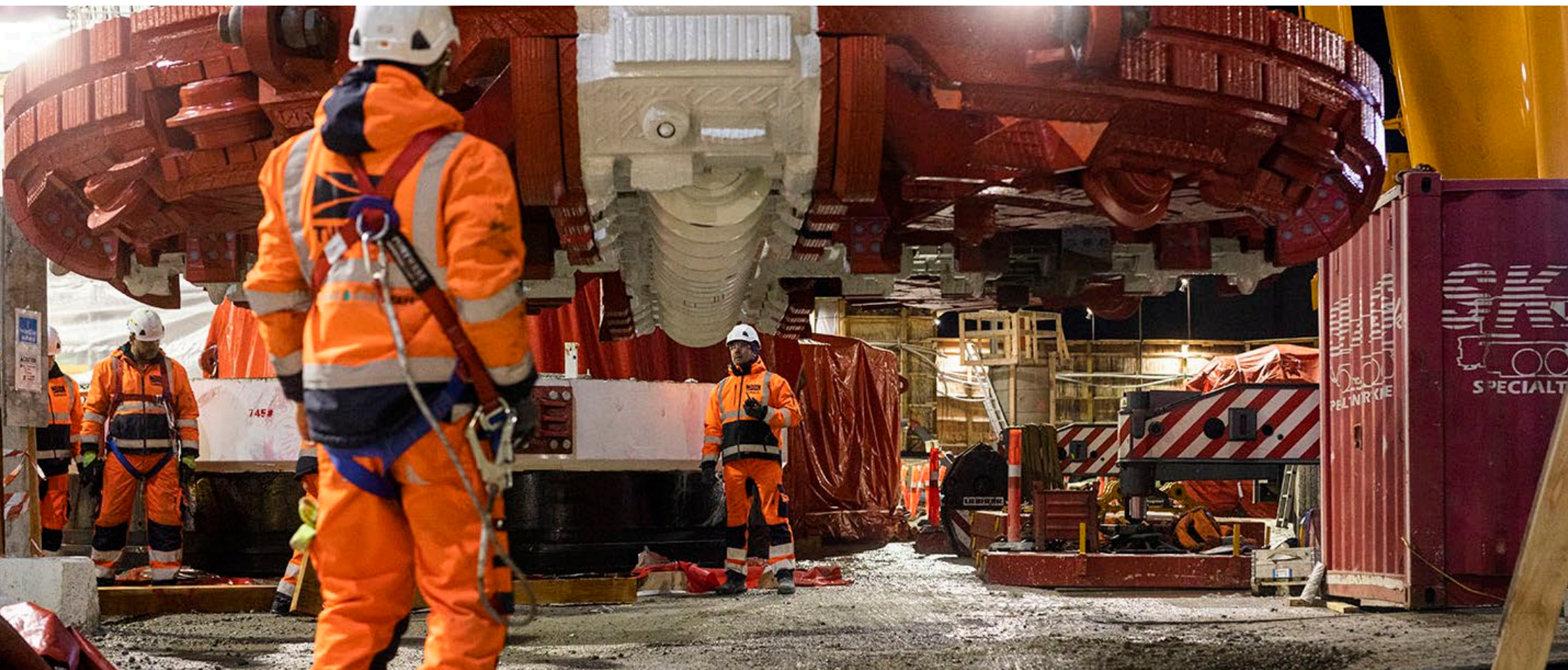
The financing instructions define the framework for the handling of financial transactions, among other things to ensure the required risk profile. The IT security policy describes the overall use of IT, including security, backup procedures, etc.







# Risk management







In 2021, the company had a particular focus on hedging risks associated with the operation of the Metro resulting from the opening of the M3 Cityringen line in 2019 and the M4 Nordhavn line in 2020. In addition, there was also a focus on risks resulting from the weaker demand caused by COVID-19 as well as other COVID-19-related risks.

### Organisation and process

Systematic risk identification and management is given high priority in Metroselskabet, where the current risk picture is monitored in finance, administration, operations and specific topics such as projects and investments. Risks are reported to the company's management, which assesses proposed changes to the current risk exposure from all the company's activities. On this basis, the management prepares a prioritised list of risks detailing the company's overall risk exposure and activities. The list is presented to the Board's Risk Committee and then to the entire Board by the Executive Management. At quarterly meetings with the company's owners, the management reports on the company's risk exposure based on the Board of Directors' review.

To ensure that each risk is prevented, handled and reported within the individual technical areas, the organisation has appointed a risk owner for each identified risk. For the company's major projects, including the M4 Sydhavn line, a risk management process adapted specifically to the individual project has been developed. The process involves the contractors on the projects, ensuring that risks are handled in the most appropriate manner.

The steps taken by the authorities to contain the pandemic in 2021, including full or partial lockdowns, also affected passenger numbers in the Metro and consequently revenue. In the short term, the company stepped up its cleaning and communication on the official mask-wearing requirement to make sure that passengers could feel safe using the Metro and would continue to use it. In a time with many restrictions, communication and marketing were kept at a level where the company did not encourage people to take the Metro, but in order to increase demand going forward, the company decided to increase its marketing, product and service efforts in 2022.

COVID-19 also led to a number of other derived risks in 2021, including on the M4 Sydhavn construction site, where several work teams were affected by COVID-19, prompting the company to introduce and increase the test capacity on construction sites and for the rest of its employees to limit the spread of infection. In 2021, more than 40,000 tests were conducted at the M4 Sydhavn line's six construction sites. To stay on schedule throughout 2021, the work plan was adjusted so that the construction work could be done in parallel and not just sequentially.

The global increase in cyber threats and the resulting need for improving the level of IT security led the company to strengthen its IT security efforts in 2021, both in relation to the company's IT systems and operational OT systems. The company also purchased a new system to better document and assess the risk associated with the company's IT systems.

The company continually monitors extreme climate events which could threaten infrastructure. In connection with the release of the AR6 Climate Change report of the UN IPCC in 2021, the company devoted resources to better assess the consequences of future weather events and the risk-mitigating measures necessary to protect the company's property in the long term.

The company continuously makes reinvestments aimed at ensuring that the Metro's most important assets maintain their financial and functional value. The main risks that the company seeks to mitigate in connection with reinvestments are that the work may affect on-time performance and hence the customer experience.

### Significant risks in 2021 and related initiatives



# Compliance





## Ownership

Metroselskabet was established on 1 January 2007 pursuant to Act no. 551 of 6 June 2007 on Metroselskabet I/S and Arealudviklingsselskabet I/S.

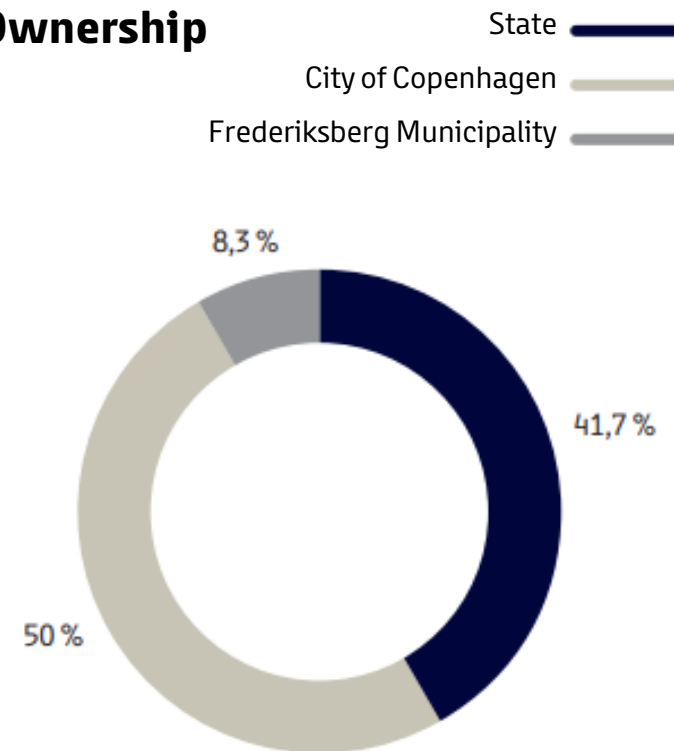
Metroselskabet is operated on a commercial basis and is responsible for the operation and maintenance of the Metro, among other things. In addition, the company is responsible for the design, development and construction the Metro in Copenhagen and Frederiksberg; Metroselskabet I/S also makes available the employees and other resources needed to carry out the activities of Hovedstadens Letbane I/S.

Metroselskabet may carry on other activities which have an obvious commercial connection to the metro activities. In terms of the development area near the København Syd station, this means that the company, as laid down in Part 3 c of the Danish Act on a Cityring, may exercise its construction right to the railway site and develop the area by undertaking the required property transactions.

Metroselskabet is a partnership owned by the Danish State represented by the Ministry of Transport, the City of Copenhagen and Frederiksberg Municipality. The Board of Directors is the company's supreme authority, and is responsible for ensuring that Metroselskabet fulfils the objectives laid down in legislation. The Board of Directors appoints the Executive Management, which is responsible for the company's business and which hires the necessary employees and reports to the Board of Directors.

The Board of Directors has nine members, who are appointed for a period of four years. The Danish State and the City of Copenhagen each appoint three members, while Frederiksberg Municipality appoints one member and one alternate member. Besides the members appointed by the owners, the company's employees elect two members to the Board of Directors. In 2021, eight 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, while the Board of Directors' Remuneration Committee held two meetings.

## Ownership





## Board of Directors of Metroselskabet 2022



**Jørn Neergaard Larsen**  
1949

Joined on 12 January 2017  
Election term expires on 30 April 2025 at the latest  
Chairman of the Board of Directors  
Chairman of the Risk Committee  
Chairman of the Remuneration Committee

Appointed by the Danish State represented by the Minister of Transport

Remuneration for 2021: DKK 500,000



**Lars Weiss**  
1971

Joined on 1 January 2022  
Election term expires on 31 December 2025  
Vice Chairman  
Member of the Risk Committee  
Member of the Remuneration Committee

Appointed by the City of Copenhagen  
Member of the City Council of Copenhagen  
Remuneration for 2021: DKK 0

Other offices held:  
- Member of the Finance Committee  
- Member of the Employment and Integration Committee



**Michael Vindfeldt**  
1981

Joined on 1 January 2022  
Election term expires on 31 December 2025  
Vice Chairman  
Member of the Risk Committee  
Member of the Audit Committee  
Member of the Remuneration Committee

Appointed by Frederiksberg Municipality  
Mayor of Frederiksberg Municipality

Remuneration for 2021: DKK 0  
Other offices held:  
- Vice Chairman of Hovedstadens Beredskab  
- Local Council of Frederiksberg  
- District Council of the Copenhagen Police



**Birgitte Brinch Madsen**  
1963

Joined on 1 April 2014  
Election term expires on 30 April 2022 at the latest  
Board member  
Chairman of the Audit Committee  
Member of the Remuneration Committee

Appointed by the Danish State represented by the Minister of Transport  
Director

Remuneration for 2021: DKK 237,000

Other offices held:  
- Chairman of the Board, Oreco A/S  
- Chairman of the Board, RUM A/S  
- Board member, Holte Fjernvarme a.m.b.a.  
- Board member, Investeringsforeningen Danske Invest and related funds  
- Board member, Nordsøfonden  
- Board member, DEIF A/S  
- Board member, John Wood plc.  
- Board member, Arkil Holding  
- Board member, Hovedstadens Letbane I/S





**Harald Børsting**

1952

Joined on 1 April 2014  
Election term expires on 30 April 2022 at the latest  
Board member

Appointed by the Danish State represented by the Minister of Transport

Remuneration for 2021: DKK 135,000

Other offices held:  
- Board member, Refshaleøens Holding  
- Board member, Refshaleøens Ejendomsselskab



**Anette Alm**

1982

Joined on 1 January 2022  
Election term expires on 31 December 2025  
Board member

Elected by the employees of Metroselskabet  
Secretary

Remuneration for 2021: DKK 0



**Helle Bonnesen**

1963

Joined on 1 January 2022  
Election term expires on 31 December 2025  
Board member  
Member of the Audit Committee

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

Remuneration for 2021: DKK 0

Other offices held:  
- Member of the Technical and Environmental Committee  
- Member of the Employment and Integration Committee

**Lone Loklindt**

1960

Appointed by Frederiksberg Municipality  
Substitute



**Troels Christian Jakobsen**

1969

Joined on 6 April 2021  
Election term expires on 31 December 2025  
Board member

Appointed by the City of Copenhagen  
Screenwriter and director

Remuneration for 2021: DKK 100,000

Other offices held:  
-  
-



**Kirsten Eljena Thomsen**

1970

Joined on 12 February 2021  
Election term expires on 31 December 2025  
Board member

Elected by the employees of Metroselskabet  
Senior Procurement & Contracts Manager

Remuneration for 2021: DKK 120,000



## Board members who resigned in 2021

### Andreas Keil

1979

Joined on 29 October 2020

Resigned on 31 December 2021

Vice Chairman

Member of the Risk Committee

Member of the Remuneration Committee

Appointed by the City of Copenhagen

Member of the City Council of Copenhagen

Remuneration for 2021: DKK 358,000

Other offices held:

- Member of the Technical and Environmental Committee

### Jørgen Glenthøj

1955

Joined on 15 January 2009

Resigned on 31 December 2021

Vice Chairman

Member of the Risk Committee

Member of the Audit Committee

Member of the Remuneration Committee

Appointed by Frederiksberg Municipality

Member of Frederiksberg Municipal Council

Remuneration for 2021: DKK 358,000

Other offices held:

- Member of the Board of Directors of KOMBIT

### Ali Hansen

1960

Joined on 1 January 2018

Resigned on 31 December 2021

Board member

Member of the Audit Committee

Appointed by the City of Copenhagen

Member of the City Council of Copenhagen

Remuneration for 2021: DKK 169,000

Other offices held:

- Member of the Finance Committee
- Member of the Health and Care Committee
- Member of the Electoral Board of the City of Copenhagen

### Fanny Broholm

1988

Joined on 1 January 2018

Resigned on 5 April 2021

Board member

Appointed by the City of Copenhagen

Member of the City Council of Copenhagen

Remuneration for 2021: DKK 35,000

Other offices held:

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

### Peter Jensen

1963

Joined on 1 January 2014

Resigned on 31 December 2021

Board member

Elected by the employees of Metroselskabet

Operations engineer

Remuneration for 2021: DKK 135,000



**Procedure for evaluation of the Board of Directors**

Once a year, Metroselskabet’s Board of Directors 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 Executive Management Group. Prior to the evaluation, an evaluation form is submitted which forms the basis for the evaluation deliberations.

The Board of Directors is satisfied with the strategic management and the level of information it receives about the company’s governance.

The Board noted that it was not happy with the fact that new work has begun on revenue sharing between the public transport providers in Copenhagen so shortly after the abolition of the double-factor model which led to changes in the company’s long-term finances and financing strategy, among other things. The changes in revenue sharing will have major implications for Metroselskabet’s future settlement of passenger revenue and therefore pose a major risk to the company.

Metroselskabet’s Board of Directors also noted that it is aware of the company’s continued development as an operating company and that it must be ensured that the necessary resources are allocated in order to carry out this task.

The Board of Directors finds that its composition is well-balanced and that the Board’s

various areas of expertise are an asset for the Board’s work. The Board of Directors also finds that cooperation within the Board and with the Executive Management and the company is good.

**Board meeting attendance in 2021**

	Board meetings	Audit Committee	Risk Committee	Remuneration Committee
	8 meetings	3 meetings	4 meetings	2 meetings
Jørn Neergaard Larsen	8/8		4/4	2/2
Andreas Keil	8/8		4/4	2/2
Jørgen Glenthøj	8/8	3/3	4/4	2/2
Birgitte Brinch Madsen	8/8	3/3		2/2
Harald Børsting	8/8			
Ali Hansen	8/8	3/3		
Fanny Broholm *)	1/8			
Troels Christian Jakobsen **)	5/8			
Peter Jensen	8/8			
Kirsten Eljena Thomsen	8/8			

\*) Fanny Broholm resigned on 5 April 2021. Two board meetings were held prior to that date.

\*\*) Troels Christian Jakobsen joined on 6 April 2021. Six board meetings were held after that date.

## Executive Management of Metroselskabet

### Executive Management:

Henrik Plougmann Olsen  
1968  
CEO

Other offices held:

- Board member, Rejsekort A/S
- Board member, DGI-byen
- Member of the Board of Representatives, University of Copenhagen

### The company's Executive Management is assisted by an Executive Management Group comprising:

Erik Skotting  
1957  
Director

Rebekka Nymark  
1970  
Director

Louise Høst  
1977  
Director

## Compliance testing of Metroselskabet

### Corporate governance

Metroselskabet conducts an annual compliance test of its corporate governance documents against the corporate governance recommendations in the Danish State's ownership policy (last updated in 2015) and the Recommendations on Corporate Governance from the Committee on Corporate Governance (last updated in December 2020).

The compliance test covers the company's Articles of Association, the Board's rules of procedure, the board committees' terms of reference and financial governance documents. The compliance test assesses whether the company's governance documents meet current corporate governance requirements. The Board subsequently considers the outcome of the compliance test and discusses whether changes to the governance documents are needed.

The compliance test has shown that the company's governance documents are in compliance with the recommendations.

### Corporate social responsibility

Metroselskabet also works systematically with the company's CSR strategies. Metroselskabet has adopted the UN Global Compact and thus reports independently on CSR issues, separately from the management commentary, in a

CSR report which is submitted to the UN. Metroselskabet's CSR reporting in accordance with Section 99a(7) of the Danish Financial Statements Act is also included in Metroselskabet's 2020 CSR report.

Metroselskabet's CSR report is available at <https://m.dk/csr>







# Accounting policies 2021



## Basis of accounting

The Annual Report of Metroselskabet I/S has been prepared in accordance with the provisions of the Danish Financial Statements Act for class D enterprises. The Financial Statements Act's requirements for the format of the income statement have been adjusted in order to better reflect how the results have been generated.

The financial period is 1 January - 31 December 2021. The Annual Report is presented in DKK thousands. The accounting policies are been applied consistently with last year, except for minor clarifications.

## General information on recognition and measurement

Assets are recognised in the balance sheet when it is probable that future financial benefits will flow to the partnership, and the value of the assets can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future financial benefits will flow out of the partnership, and the value of the liabilities can be measured reliably.

Assets and liabilities are measured at cost on initial recognition. Assets and liabilities are subsequently measured as described below for each item.

On recognition and measurement, account is taken of predictable losses and risks arising prior to the presentation of the Annual Report, which confirm or disprove conditions existing at the balance sheet date.

Income is recognised in the income statement as earned, while costs are recognised at the amounts relating to the financial year.

Value adjustment of financial assets and liabilities measured at fair value is also recognised in the income statement.

## Foreign currency translation

On initial recognition, transactions in foreign currency are translated at the exchange rate applicable at the transaction date. Receivables, payables 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 applicable on the transaction date and the rate on the payment date or balance sheet date, respectively, are recognised as financial items in the income statement. Non-current assets purchased in foreign currency are recognised at historical exchange rates.

## Derivative financial instruments

Derivative financial instruments are measured at cost on initial recognition in the balance sheet, and subsequently at fair value. Derivative financial instruments are recognised under other receivables and other debt, respectively.

Any changes in the fair value of derivative financial instruments classified as and fulfilling the conditions for hedging of the fair value of a recognised asset or liability are recognised in the income

statement 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 recognised as financial items in the income statement on an ongoing basis.

## Income statement

### Income

The Metro's fare revenue, which includes payments from the joint fare system in the Greater Copenhagen area, is recognised 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 recognised as the services are delivered.

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

Other operating income includes income from the administration and handling of the client organisation for the Greater Copenhagen Light Rail, sale of advisory services, work site rental and minor income from leases, among other things, and in 2021 compensation from the Danish State as a consequence of COVID-19.



**Metro operating expenses**

The Metro's operating expenses include expenses for the service contractor, the partnership's contract management costs, etc. and other costs related to maintaining metro operations.

**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 administrative expenses, including office supplies, etc.

**Financial items and market value adjustment**

Financial items include interest and realised and non-realised foreign currency translation 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

### Property, plant and equipment

#### Construction of the Metro

Facilities under construction, comprising the construction of the Metro, are measured as costs incurred for feasibility studies, project design and construction as well as the value of own work until the date when the asset is ready for use. The Metro is not subject to depreciation during its construction, but impairment is made with consideration being given to the recoverable amount, see the section on valuation of non-current assets.

#### Metro in service

The commissioned Metro is measured at cost less actual depreciation, impairment and write-downs. Cost is equivalent to the present value on 1 January 2007 (opening balance sheet), plus subsequent investments. The present value is calculated as the future cash flows (recoverable amount).

The basis of depreciation, which is calculated at cost, is distributed according to the straight-line method over the expected useful lives of the assets. The Metro in service has been divided into component parts with uniform useful lives, which are:

Tunnel and shell of underground stations	100 years
Other fixtures and fittings	50 years
Rolling stock, mechanical and electrical installations	25 years
Other technical installations	10 years
Minor facility components	3 years

However, the tunnel and shell of underground stations are depreciated to the maximum level in the period up until 2102, which is the final year of the expected accounting life in the valuation of the Metro as a whole. A portion of the asset will then have a scrap value for the remainder of its useful life.

The expected useful lives and scrap values are reassessed annually and revised in the event of significant changes in the assessment.

Substantial future investments are regarded as separate component parts and are depreciated over their expected useful lives.

#### Land, buildings, operating equipment and fixtures and fittings

Land, buildings, operating equipment and fixtures and fittings are measured at cost less actual depreciation and impairment. Land is not depreciated. Cost includes the acquisition price and costs directly related to acquisition. The basis of depreciation, which is calculated at cost reduced by the scrap value, is distributed according to the straight-line method over the expected useful lives of the assets which are:

IT equipment	3 years
Other fixtures and fittings and operating equipment	5 years
Temporary office buildings	15 years

Scrap values and useful lives are reassessed annually and revised in the event of any significant changes.

Gains and losses on the sale of property, plant and equipment are calculated as the difference between the selling price less selling costs and the carrying amount at the time of the sale. Any profit or loss is recognised in the income statement.

#### Valuation of non-current assets

The carrying amount of non-current assets is reviewed annually 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 carrying amount, and impairment is made to this lower recoverable amount.

The recoverable amount is either the net selling price less sales costs or the capital asset value, whichever is higher. When calculating the capital asset value, the estimated future cash flows up until 2102 are discounted to present value.

The recoverable amount is measured on an aggregated basis for related assets comprising both plant under construction and plant in operation, as



they constitute a single cash-generating unit. The impairment is recognised in the income statement.

### **Investments**

#### **Equity investments**

Equity investments recognised under investments – which do not include listed shares – are measured at cost on initial recognition. Equity investments are written down to the recoverable amount if this is lower than the carrying amount.

#### **Receivables**

Receivables under investments are recognised at amortised cost, which essentially is equivalent to the nominal value. Write-downs are made for expected losses.

### **Current assets**

#### **Properties**

Properties are measured at cost.

#### **Receivables**

Receivables are recognised in the balance sheet at amortised cost, which essentially is equivalent to the nominal value. Write-downs are made for expected losses.

#### **Securities**

Securities recognised under current assets comprise listed bonds, which are measured at fair value on the balance sheet date.

#### **Cash**

Cash includes short-term bank deposits and securities with a remaining term to maturity of less

than three months at the time of acquisition which can readily be converted into cash and cash equivalents, and for which there is only a slight risk of changes in value.

### **Non-current liabilities**

Non-current liabilities are measured at cost at the time of taking out the loans, corresponding to the proceeds received less transaction costs incurred. Liabilities are subsequently measured at amortised cost, unless the fair value of the liabilities is hedged.

Liabilities which are hedged for changes in fair value, and for which the effect of this hedging can be documented, are subsequently measured at fair value. Changes in fair value are recognised in the income statement under market value adjustments together with changes in the fair value of the hedging instruments.

The current portion of non-current liabilities is recognised under repayment of non-current liabilities.

### **Other financial liabilities**

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

### **Cash flow statement**

The cash flow statement shows cash flows from operating, investing and financing activities, as well as the partnership's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are stated according to the indirect method and are calculated as the operating profit/loss adjusted for non-cash operating items and changes in receivables and debt relating to the operating activity.

Cash flows from investing activities include payments in connection with the construction of the Metro and investments in securities.

Cash flows from financing activities include changes in receivables and debt concerning financing activities as well as net financing expenses.

Cash and cash equivalents comprise cash and short-term securities.

### **Segment information**

Information is provided on business segments (primary segment). The partnership solely carries on commercial activities in Denmark. The segment information is consistent with the partnership's internal financial management, see Note 20.



## Income statement

for the period 1 January - 31 December 2021 (all figures in DKK '000)

	Note	2021	2020
<b>Income</b>			
Metro fare revenue	2	805,357	863,760
Metro operating income	2	29,479	90,801
Value of own work		136,627	172,333
Other operating income	3	783,128	809,336
<b>Total income</b>		<b>1,754,591</b>	<b>1,936,230</b>
<b>Costs</b>			
Metro operating expenses	2	-1,095,341	-1,121,415
Staff costs	4	-235,308	-248,193
Other external costs		-42,637	-42,860
<b>Total costs</b>		<b>-1,373,287</b>	<b>-1,412,468</b>
<b>Profit/loss before depreciation, impairment and write-downs</b>		<b>381,304</b>	<b>523,762</b>
Depreciation	5	-442,224	-791,900
Impairment and write-downs	5	-12,214,546	-637,655
<b>Total depreciation, impairment and write-downs</b>		<b>-12,656,766</b>	<b>-1,429,556</b>
<b>Profit/loss before financial items</b>		<b>-12,275,470</b>	<b>-905,794</b>
<b>Financial items</b>			
Financial income	6	374,468	298,701
Financial expenses	6	-754,540	-629,183
<b>Total financial items</b>		<b>-380,071</b>	<b>-330,482</b>
<b>Profit/loss before market value adjustment</b>		<b>-12,655,537</b>	<b>-1,236,276</b>
Market value adjustment	6	930,559	-1,538,417
<b>Net profit/loss for the year</b>		<b>-11,724,979</b>	<b>-2,774,693</b>



## Balance sheet

at 31 December 2021 (all figures in DKK '000)

<b>Assets</b>	<i>Note</i>	<b>2021</b>	<b>2020</b>
<b>NON-CURRENT ASSETS</b>			
<b>Property, plant and equipment</b>			
Construction of the Metro	7	3,607,721	3,805,488
Metro in service	8	10,537,181	21,176,806
Land and buildings	9	68,328	36,706
<b>Total property, plant and equipment</b>		<b>14,213,231</b>	<b>25,019,000</b>
<b>Investments</b>			
Other equity investments	10	25,258	25,158
Receivables	11	2,092,740	2,049,867
Owner contributions receivable	12	14,337,400	0
Derivative financial instruments	13	2,506,116	4,663,560
<b>Total investments</b>		<b>18,961,515</b>	<b>6,738,585</b>
<b>Total non-current assets</b>		<b>33,174,746</b>	<b>31,757,585</b>
<b>CURRENT ASSETS</b>			
Properties	14	16,430	8,097
Receivables	15	1,211,432	1,981,488
Owner contributions receivable	16	437,138	302,855
Securities	17	6,251,739	7,160,321
Cash	17	440,624	0
<b>Total current assets</b>		<b>8,357,362</b>	<b>9,452,761</b>
<b>TOTAL ASSETS</b>		<b>41,532,108</b>	<b>41,210,346</b>

at 31 December 2021 (all figures in DKK '000)



<b>Equity and liabilities</b>	<i>Note</i>	<b>2021</b>	<b>2020</b>
<b>EQUITY</b>			
Beginning of year		-5,639,066	-3,347,373
Addition for the year		3,193,521	-2,291,693
<b>Total equity</b>		<b>-2,445,545</b>	<b>-5,639,066</b>
<b>NON-CURRENT LIABILITIES</b>			
Non-current liabilities	18	29,243,276	30,977,551
Derivative financial instruments	18	8,562,797	10,777,456
<b>Total non-current liabilities</b>		<b>37,806,073</b>	<b>41,755,007</b>
<b>CURRENT LIABILITIES</b>			
Current portion of non-current liabilities	18	5,139,355	4,279,412
Bank loans	17	0	5,225
Trade payables		519,336	302,669
Prepaid customers	19	87,105	82,239
Other debt	20	425,784	424,860
<b>Total current liabilities</b>		<b>6,171,580</b>	<b>5,094,405</b>
<b>Total liabilities</b>		<b>43,977,653</b>	<b>46,849,412</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>41,532,108</b>	<b>41,210,346</b>
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## Statement of changes in equity

(All figures in DKK '000)

	<i>Contributions concerning the existing Metro</i>	<i>Owner contributions</i>	<i>Reserve for unpaid owner contributions</i>	<i>Retained earnings before MVR</i>	<i>Equity excluding MVR</i>	<i>Market value adjustment (MVR)</i>	<i>Total</i>
Beginning of 2020	660,857	16,230,508	0	-13,211,019	3,680,345	-7,027,715	-3,347,373
Capital contribution	0	483,000	0	0	483,000	0	483,000
Retained earnings	0	0	0	-1,236,276	-1,236,276	-1,538,417	-2,774,693
Beginning of 2021	660,857	16,713,508	0	-14,447,295	2,927,069	-8,566,131	-5,639,066
Capital contribution	0	278,400	14,640,100	0	14,918,500	0	14,918,500
Retained earnings	0	0	0	-12,655,537	-12,655,537	930,559	-11,724,979
<b>End of year</b>	<b>660,857</b>	<b>16,991,908</b>	<b>14,640,100</b>	<b>-27,102,832</b>	<b>5,190,032</b>	<b>-7,635,572</b>	<b>-2,445,545</b>

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

	2021	2020	2019	2018	2017
Beginning of year	16,713,508	16,230,508	15,989,508	15,543,580	15,543,580
Capital increase	14,918,500	483,000	241,000	445,928	0
<b>End of year</b>	<b>31,632,008</b>	<b>16,713,508</b>	<b>16,230,508</b>	<b>15,989,508</b>	<b>15,543,580</b>

In 2016, the Danish State, the City of Copenhagen and Frederiksberg Municipality entered into an agreement on the financing of an underground metro station at København Syd. In 2018, the owner contribution of DKK 446 million was transferred to capital contributions in connection with the conclusion of the major construction contracts for the M4 Sydhavn line in March 2018.



In 2019, the Danish State and the City of Copenhagen released some of the 10% adjustment reserve regarding the M4 Sydhavn line. The released share of the adjustment reserve was thus transferred to capital contributions in 2019.

In 2021, the Danish State made a capital contribution to Metroselskabet of DKK 14.9 billion with annual payments in the period from 2021-2060. The agreement on contributions has been concluded in connection with the abolition of the double-factor model in the revenue sharing between the public transport providers in the Greater Copenhagen area at 1 January 2021. The Danish State issued a debenture of DKK 14.9 billion as collateral for the payments.

The owners' total capital contributions amount to DKK 31.6 billion.

Metroselskabet is a partnership in which the owners are 100% liable for the company. Negative equity in the company does not require further contributions from the owners, as Metroselskabet can still repay its debt as planned.



## Cash flow statement

(All figures in DKK '000)

	<i>Note</i>	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities</b>			
Metro fare revenue		805,357	863,760
Metro operating income		29,479	90,801
Other operating income		783,128	809,336
Metro operating expenses		-1,095,341	-1,121,415
Staff costs		-235,308	-248,193
Other external costs		-42,637	-42,860
Change in receivables		32,086	51,624
Change in trade payables		216,664	10,810
<b>Total cash flows from operating activities</b>		<b>493,427</b>	<b>413,863</b>
<b>Cash flows from investing activities</b>			
Investments in the construction of the Metro		-1,675,370	-2,034,587
Investments in land and buildings		-47,437	-2,162
Purchase and sale of securities (excluding value adjustment)		895,054	-493,847
<b>Total cash flows from investing activities</b>		<b>-827,753</b>	<b>-2,530,596</b>
<b>Cash flows from financing activities</b>			
Borrowing, net (excluding market value adjustment)		49,420	2,658,103
Contribution from owners		278,400	483,000
Change in receivables from financing activities		863,519	-872,290
Other debt		5,790	68,172
Net financing costs (excluding value adjustment)		-416,954	-403,083
<b>Total cash flows from financing activities</b>		<b>780,174</b>	<b>1,933,902</b>
Change in cash and cash equivalents		445,849	-182,831
Cash and cash equivalents, beginning of year		-5,225	177,606
<b>Cash and cash equivalents, end of year</b>		<b>440,624</b>	<b>-5,225</b>

The cash flow statement cannot be derived directly from the other elements of the financial statements.



# Financial statements







**Note 1 Special conditions**

*Abolition of the double-factor model*

In accordance with the 2005 political agreement on the construction of the M3 Cityringen line, the double-factor model was introduced as part of revenue sharing among public transport providers in the Greater Copenhagen area. The model was introduced under the ‘Order on ticket revenue sharing in the Greater Copenhagen area’ and was part of the financial conditions at that time for the establishment of Metroselskabet. According to the double-factor model, Metroselskabet receives a higher share of the ticket revenue than the number of passengers alone would generate. The double-factor model was abolished on 1 January 2021 by way of a change in the ‘Order on ticket revenue sharing in the Greater Copenhagen area’.

Based on the assumptions underlying the decision-making basis for the M3 Cityringen line, the average future financial impact of the proposed amendment of the Order will be that Metroselskabet’s revenue base is reduced by amounts in the range of DKK 278-384 million annually, or DKK 14.9 million in total for the period 2021-2060.

In parallel with the amendment of the Order, in 2021 the Danish State made a capital contribution and as security for the owner contribution, the Ministry of Transport issued a debenture to Metroselskabet of DKK 14.9 billion with annual payments in the period from 2021-2060. This ensures that the Danish State continues to fulfil its obligation under the political agreement on the

construction of the 2005 M3 Cityringen line in connection with the establishment of Metroselskabet.

In the financial statements for 2021, the amendment of the Order affected the company’s calculation of the recoverable amount, resulting in total impairment of the non-current assets of DKK 12.2 billion. As described above, the company’s equity was boosted by an owner contribution from the Danish State of DKK 14.9 billion, increasing total equity including the net profit/loss for the year by a total of DKK 3.2 billion.

*COVID-19 compensation in 2021*

In 2021, Metroselskabet had the important task of maintaining metro services to provide transport for passengers who relied on the Metro, such as people working in the healthcare sector or other essential jobs, making sure that all official COVID-19 rules were observed, so that passengers could feel safe using the Metro despite COVID-19. In accordance with document 133 adopted by the Finance Committee on 17 December 2021, the Danish State has compensated the company for financial consequences of COVID-19, based on the following categories:

- A. *Reduced ticket revenue and penalty fares compared to the budget for 2021.*
- B. *Additional costs for the deployment of additional capacity to ensure social distancing between passengers in line with official COVID-19 recommendations.*
- C. *Additional costs for cleaning trains and facilities as a direct consequence of COVID-19.*
- D. *Additional costs related to communicating COVID-19-appropriate behaviour to passengers.*

- E. *Additional costs associated with crowd control at stations, etc. as a direct consequence of COVID-19.*
- F. *Other*

*Financial consequences of COVID-19 compensated by the Danish State*

DKK million	
Reduced revenue	DKK 788,6 million
Additional costs of extra capacity	DKK 0.0 million
Additional costs of protective equipment, etc.	DKK 35.6 million
Additional communication costs	DKK 0.4 million
Additional crowd control costs	DKK 3.8 million
Other	DKK -119.9 million
<b>Total compensation</b>	<b>DKK 708.5 million</b>

*Re A:*

In the company’s original budget for 2021 it was expected that a total of 136.6 million passengers would travel on the Metro during the year. In 2021, the Metro had a total of 73.4 million passengers.

As a consequence of the COVID-19 restrictions, the payment per passenger received by the company from the joint fare system in the Greater Copenhagen area did not live up to our expectations either. The company thus received an average payment per passenger of DKK 10.91, which is DKK 0.65 below budget. The reduced payment can be

attributed primarily to the different travel patterns and journey lengths of the passengers who travelled on the Metro during COVID-19 in 2021 compared to previous years.

The lower revenue is thus based on a calculation of the difference between the company's total budgeted fare revenue of DKK 1,616.0 million for the whole of 2021 and the actual fare revenue for the whole of 2021 of DKK 827.3 million, resulting in a drop in revenue of DKK 788.6 million.

*Re B-E:*

During the year, the Metro faced extraordinary operating conditions a consequence of official COVID-19 recommendations, with extra trains being added during certain times, while extra personnel was required for crowd control to prevent too many passengers from gathering on trains or at stations. In addition, the company adjusted its communication about the Metro in trains and at stations as well as cleaning at stations, added more trains and put up hand sanitiser dispensers at all stations.

The additional costs for 2021 are based on the registered costs of measures resulting directly from COVID-19. In relation to the company's budget for the year, the management estimates that, in overall terms, the company has not incurred any

additional costs that can be attributed to the extra capacity. The costs of adding more trains are therefore excluded from the calculation.

*Re F:*

In the calculation of the compensation amount for 2021, Metroselskabet inserted an item F, 'Other', which is not stated explicitly in document 133. As in the calculation of the compensation amount for 2020, 'Other' includes reduced costs offset.

As a consequence of COVID-19, net costs related to service operators were lower in 2021. The net costs partly represent revenue from the lease of the Metro to the service operators and partly contractual payments to the service operators. Both were lower in 2021 due to COVID-19. Moreover, due to the lower passenger numbers, the company has settled lower charges related to fare revenue, primarily concerning rejsekort (travel cards).

The reduced costs are based on a calculation of the difference between the company's budgeted costs for the aforementioned items and the actual costs for 2021, including:

- The assessment that the total reduced costs for the year can be attributed to the measures related to COVID-19; and

- The assessment that Metroselskabet does not have any reduced costs due to reduced services other than payments to service operators and charges related to fare revenue, as set out above.

*Re G:*

Overall, the company experienced a loss of revenue, reduced costs and incurred additional costs for a total of DKK 708.5 million. The amount is compensated by the Danish State and is recognised under 'Other operating income'. As a result, the company's financial result for 2021 is not materially affected by the impact of COVID-19.

The Ministry of Transport paid out DKK 790 million on account in December 2021. The difference between the on-account amounts received from the Ministry of Transport and the total calculated compensation is settled with the Ministry of Transport once the company's Annual Report 2021 has been adopted.

The Ministry of Transport has not yet approved Metroselskabet's calculation of the COVID-19 compensation. This is expected to take place in the first half of 2022.



**Note 2 Operating profit/loss for the commissioned Metro**

(all figures in DKK '000)	2021	2020
<b>Metro fare revenue</b>	<b>805,357</b>	<b>863,760</b>
<b>Metro operating income</b>		
Leasing out of the Metro	29,154	90,482
Other income	326	319
<b>Total Metro operating income</b>	<b>29,479</b>	<b>90,801</b>
<b>Other operating income</b>	<b>744,821</b>	<b>751,957</b>
<b>Total income</b>	<b>1,579,657</b>	<b>1,706,518</b>
<b>Metro operating expenses</b>		
Payment for operations	-1,049,546	-1,066,659
Contract management, etc.	-31,044	-37,611
Other costs	-14,751	-17,146
<b>Total Metro operating expenses</b>	<b>-1,095,341</b>	<b>-1,121,415</b>
<b>Administrative expenses</b>	<b>-103,011</b>	<b>-61,319</b>
<b>Total costs</b>	<b>-1,198,352</b>	<b>-1,182,735</b>
<b>Profit/loss before depreciation</b>	<b>381,304</b>	<b>523,783</b>
Depreciation	-442,224	-791,900
Impairment and write-downs/reversal of impairment and write-downs [Rejsekort and Rejseplan A/S]	101	2.055
<b>Profit/loss before financial items</b>	<b>-60,819</b>	<b>-266,062</b>



See segment information in Note 21.

The partnership has outsourced the operation of the Metro to a third party. The lease payment depends on the overall operating result/loss for the Metro. In 2021, the Metro had 73.4 million passengers (DKK 63.7 million in 2020). The fare revenue for 2021 is based on average passenger revenue of DKK 10.91 (DKK 13.07 in 2020).

### **Note 3 Other operating income**

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Other operating income includes income from the administration and handling of the client organisation for Hovedstadens Letbane I/S of DKK 56 million (DKK 57.3 million in 2020), sale of advisory services, work site rental and minor income from leases, among other things.

In addition, other operating income for 2021 consists of COVID-19 compensation from the Danish State of DKK 708.5 million (DKK 747.1 million in 2020) and income of DKK 13.1 million related to the sale of land at Fasanvej Station.





#### Note 4 Staff costs

(all figures in DKK '000)	2021	2020
Wages, salaries and remuneration	191,420	203,031
Pensions	31,369	32,056
Social security contributions	4,285	5,562
Other staff costs	8,234	7,543
<b>Total staff costs</b>	<b>235,308</b>	<b>248,193</b>
Of which:		
Salaries for the Executive Management	2,458	2,446
Other payments to the Executive Management	350	167
Pensions for the Executive Management	430	428
Remuneration for the Board of Directors	2,146	2,123
Average number of employees (full-time equivalents – 1,924 hours)	295	307
Employees, end of year (number)	324	333

Other payments include performance-based pay for the Executive Management, which constitutes up to 15% of the members' ordinary salary. Performance-based pay for 2021 concerns the achievement of the company's targets for 2020. The performance-based pay targets are fixed once a year by the company's Remuneration Committee and will cover the following financial year. Performance-based pay is paid out once a year after consideration by the Remuneration Committee.

Metroselskabet's term of notice is six months for members of 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, members of the Executive Management are entitled to company-paid newspapers, a company-paid landline connection, mobile phone, home internet connection and tablet.

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



## Note 5 Depreciation, impairment and write-downs

(all figures in DKK '000)	2021	2020
Depreciation, Metro in service	434,742	784,418
Depreciation of buildings, operating equipment and fixtures and fittings	7,482	7,482
Impairment and write-downs/reversal of impairment and write-downs of Metro construction	12,214,647	639,711
Impairment and write-downs/reversal of impairment and write-downs of equity investments	-101	-2,055
<b>Total depreciation, impairment and write-downs</b>	<b>12,656,770</b>	<b>1,429,556</b>

## Note 6 Financial items and market value adjustment

(all figures in DKK '000)	2021	2020
<b>Financial income</b>		
Interest income from investments		
Interest income from receivables	50,864	51,359
Interest income from cash, securities and financial instruments, etc.	323,604	247,342
Foreign currency translation adjustment		
<b>Total financial income</b>	<b>374,468</b>	<b>298,701</b>
<b>Financial expenses</b>		
Interest expenses	-751,751	-598,902
Foreign currency translation adjustment	-2,788	-30,281
<b>Total financial expenses</b>	<b>-754,540</b>	<b>-629,183</b>
<b>Total financial items</b>	<b>-380,071</b>	<b>-330,482</b>
<b>Total market value adjustment</b>	<b>930,559</b>	<b>-1,538,417</b>

The market value adjustment can primarily be attributed to the company's financial interest rate hedging agreements which were concluded in order to increase the budget certainty of the company's finances in the long term. The market value adjustment depends on the development in interest rates and is solely an accounting registration that has no impact on liquidity, since the agreements 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 53 million, which means that a decrease in the interest level of 1% would increase the market value adjustment and reduce the profit or loss by DKK 5.3 billion. Similarly, an increase in the interest level of 1% would improve the profit or loss by DKK 5.3 billion.

The change in the market value adjustment from 2020 to 2021 is due to the increased interest level during that period.

#### Note 7 Construction of the Metro

(all figures in DKK '000)	Commis- sioned Metro	Ongoing con- struction pro- jects	<b>Total</b>
<b>ACQUISITION</b>			
<b>PRICE</b>			
Beginning of year	1,079,771	4,125,822	5,205,593
Addition for the year	472,302	1,339,695	1,811,997
Transferred to the Metro in service	-7,340	0	-7,340
<b>End of year</b>	<b>1,544,733</b>	<b>5,465,517</b>	<b>7,010,249</b>
<b>IMPAIRMENT, WRITE-DOWNS AND REVALUATIONS</b>			
Beginning of year	0	-1,400,104	-1,400,104
Impairment and write-downs for the year/reversal of impairment and write-downs	-563,982	-1,438,442	-2,002,424
Transferred impairment and write-down to the Metro in service	0	0	0
<b>End of year</b>	<b>-563,982</b>	<b>-2,838,546</b>	<b>-3,402,528</b>
<b>Carrying amount, beginning of year</b>	<b>1,079,771</b>	<b>2,725,718</b>	<b>3,805,488</b>
<b>Carrying amount, end of year</b>	<b>980,752</b>	<b>2,626,971</b>	<b>3,607,721</b>
Carrying amount of the Metro in service 31 December 2021, see Note 8			10,537,181
Carrying amount of the Metro in service 31 December 2021, see Note 7			3,607,721
<b>Recoverable amount 31 December 2021</b>			<b>14,144,901</b>
<b>Impairment and write-down for the year</b>			<b>12,214,647</b>

The calculation of the recoverable amount is measured on an aggregate basis for the Metro in service and the construction of the Metro, as they will constitute a single cash-generating unit once all lines are operational.

The recoverable amount of the Metro as a whole is lower than the book value, and as a result an impairment has been made.

Impairment and write-downs for the year are recognised in the income statement.

The recoverable amount is calculated on the basis of the future expectations described in the company's long-term budget. An average interest rate of 3.6% has been applied in the first 20 years, rising to 4.6% in the longer term. The interest rate used in the



calculation exceeds the current interest level in the market, as it includes a risk surcharge. The use of a lower current market interest rate would increase the calculated recoverable amount and improve the net profit or loss for the year. To illustrate this, the use of a 1% lower interest rate in the first 20 years would increase the recoverable amount and hence the net profit or loss for the year by DKK 3.4 billion. Conversely, the use of a 1% higher interest rate during this period would have reduced the net profit or loss for the year by DKK 2.8 billion.

**Note 8 Metro in service**

	Tunnel and shell of underground stations	Other fixed facilities	Rolling stock, etc.	Other technical installations	Minor facility components	Total
(all figures in DKK '000)						
<b>ACQUISITION PRICE</b>						
Beginning of year	15,359,782	8,442,459	8,589,358	1,674,908	845,205	34,911,710
Addition for the year	0	0	0	7,340	0	7,340
Disposal for the year	0	0	0	-7,340	0	-7,340
<b>End of year</b>	<b>15,359,782</b>	<b>8,442,459</b>	<b>8,589,358</b>	<b>1,674,908</b>	<b>845,205</b>	<b>34,911,710</b>
<b>DEPRECIATION, IMPAIRMENT AND WRITE-DOWNS</b>						
Beginning of year	-5,265,965	-3,185,123	-3,884,575	-886,025	-513,217	-13,734,905
Depreciation for the year	-60,717	-67,520	-140,369	-58,701	-107,435	-434,742
Disposal, depreciation for the year	0	0	0	7,340	0	7,340
Impairment and write-downs for the year/reversal of impairment and write-downs	-4,880,318	-2,538,709	-2,264,779	-377,277	-151,140	-10,212,223
<b>End of year</b>	<b>-10,207,000</b>	<b>-5,791,352</b>	<b>-6,289,723</b>	<b>-1,314,663</b>	<b>-771,792</b>	<b>-24,374,530</b>
<b>Carrying amount, beginning of year</b>	<b>10,093,817</b>	<b>5,257,337</b>	<b>4,704,783</b>	<b>788,883</b>	<b>331,988</b>	<b>21,176,806</b>
<b>Carrying amount, end of year</b>	<b>5,152,782</b>	<b>2,651,107</b>	<b>2,299,635</b>	<b>360,245</b>	<b>73,413</b>	<b>10,537,181</b>

**Note 9 Land, buildings, operating equipment and fixtures and fittings**

(all figures in DKK '000)	Land	Office buildings	Operating equipment	Total
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			and fixtures and fittings	
<b>ACQUISITION PRICE</b>				
Beginning of year	0	112,742	1,844	114,586
Addition for the year	39,104	0	0	39,104
Disposal for the year		0	0	0
<b>End of year</b>	<b>39,104</b>	<b>112,742</b>	<b>1,844</b>	<b>153,690</b>
<b>DEPRECIATION</b>				
Beginning of year	0	-76,035	-1,844	-77,879
Depreciation for the year	0	-7,482	0	-7,482
Disposal, depreciation	0	0	0	0
<b>End of year</b>	<b>0</b>	<b>-83,517</b>	<b>-1,844</b>	<b>-85,361</b>
<b>Carrying amount, beginning of year</b>	<b>0</b>	<b>36,706</b>	<b>0</b>	<b>36,706</b>
<b>Carrying amount, end of year</b>	<b>39,104</b>	<b>29,225</b>	<b>0</b>	<b>68,328</b>

In 2021, Metroselskabet acquired the area at Metrovej 5 from Udviklingselskabet By & Havn I/S for DKK 39.1 million.

#### Note 10 Other equity investments

(all figures in DKK '000)	Rejsekort and Rejse- plan A/S	DOT I/S	Total
<b>ACQUISITION PRICE</b>			
Beginning of year	68,123	300	68,423
Addition for the year	0	0	0
Disposal for the year	0	0	0
<b>End of year</b>	<b>68,123</b>	<b>300</b>	<b>68,423</b>


**DEPRECIATION, IMPAIRMENT AND WRITE-DOWNS**

Beginning of year	-43,265	0	-43,265
Impairment and write-down/reversal of impairment and write-down	101	0	101
<b>End of year</b>	<b>-43,164</b>	<b>0</b>	<b>-43,164</b>
<b>Carrying amount, beginning of year</b>	<b>24,857</b>	<b>300</b>	<b>25,158</b>
<b>Carrying amount, end of year</b>	<b>24,958</b>	<b>300</b>	<b>25,259</b>

<u>Name</u>	<u>Domicile</u>	<u>Ownership interest</u>	<u>Capital</u>
Rejsekort and Rejseplan A/S	Gladsaxe	7.16%	121,960,400
DOT I/S	Valby	33.3%	900,000


**Note 11 Receivables, investments**

(all figures in DKK '000)	<b>Total</b>
<b>ACQUISITION PRICE</b>	
Beginning of year	2,049,867
Addition for the year	0
Addition for the year (interest, etc.)	50,953
Disposal for the year (repayment)	-8,080
<b>End of year</b>	<b>2,092,740</b>
<b>DEPRECIATION, IMPAIRMENT AND WRITE-DOWNS</b>	
Beginning of year	0
Depreciation for the year	0
Impairment and write-downs for the year	0
<b>End of year</b>	<b>0</b>
<b>Carrying amount, beginning of year</b>	<b>2,049,867</b>
<b>Carrying amount, end of year</b>	<b>2,092,740</b>

To ensure that the construction contractor CMT has an adequate level of liquidity during the construction period, Metroselskabet has established a liquidity scheme of DKK 1.5 billion (liquidity bridge) and secured intermediate financing of the final works of DKK 591 million. CMT has provided a bank guarantee/parent company guarantee for the amounts.

Receivables also relate to the company's subordinate loan capital in Rejsekort A/S and Rejseplan A/S.


**Note 12 Receivables, owner contributions**

(all figures in DKK '000)	<b>Total</b>
<b>ACQUISITION PRICE</b>	
Beginning of year	0
Addition for the year	14,918,500
Addition for the year (interest, etc.)	0
Disposal for the year (repayments 2021 and 2022)	-581,100
<b>End of year</b>	<b>14,337,400</b>
<b>DEPRECIATION, IMPAIRMENT AND WRITE-DOWNS</b>	
Beginning of year	0
Depreciation for the year	0
Impairment and write-downs for the year	0
<b>End of year</b>	<b>0</b>
<b>Carrying amount, beginning of year</b>	<b>0</b>
<b>Carrying amount, end of year</b>	<b>14,337,400</b>

In 2021, the Danish State made a capital contribution to Metroselskabet of DKK 14.9 billion with annual payments in the period from 2021-2060. In 2021, the Danish state paid DKK 278 million. The Danish State's payment of DKK 303 million for 2022 is recognised under current assets. The Danish State issued a debenture of DKK 14.9 billion as collateral for the payments.



**Note 13 Derivative financial instruments**

(all figures in DKK '000)	<b>Total</b>
<b>ACQUISITION PRICE</b>	
Beginning of year	0
Addition for the year	0
Disposal for the year	0
<b>End of year</b>	<b>0</b>
<b>VALUE ADJUSTMENTS</b>	
Beginning of year	4,663,560
Value adjustment for the year	-2,157,443
<b>End of year</b>	<b>2,506,116</b>
<b>Carrying amount, beginning of year</b>	<b>4,663,560</b>
<b>Carrying amount, end of year</b>	<b>2,506,116</b>



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**Note 14 Properties**

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In connection with the construction of the M3 Cityring line, the company has expropriated a number of flats. The flats have been valued at acquisition cost. At 31 December 2021, the company had expropriated three flats.

At the time of 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, Frederiksberg Municipality is entitled to a share of the profit as per a 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 at Fasanvej Station. In 2021, the terms of the agreement were met and the sale finalised. Frederiksberg Municipality's profit will be calculated as per agreement and settled with the municipality.

On 14 October 2016, the Danish State (represented by the Minister of Transport), the City of Copenhagen and Frederiksberg Municipality entered into an agreement on the financing of additional costs of an underground metro station at København Syd. As a result of the agreement, the Danish State would transfer the construction rights to the railway site at the København Syd Station to Metroselskabet as a government contribution. Metroselskabet is looking into the possibilities of covering the København Syd Station and promoting urban development around it. The resulting costs are included in the accounting item.

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**Note 15 Receivables, current assets**

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Receivables include VAT receivable of DKK 83 million and accrued interest of DKK 1,017 million.

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**Note 16 Owner contributions receivable, current assets**

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Ownership contributions receivable at 31 December 2021 include receivables from the Danish State and relate to the financing of an underground metro station at København Syd. The ownership contribution from the Danish State takes the form of construction rights and is valued at DKK 134.4 million (DKK 120 million in 2013 prices). The receivable is revalued annually using the Danish national budget's assumption index.

The receivable also includes the Danish State's 2022 payment of DKK 303 million, see Note 12.

**Note 17 Securities and cash**

(all figures in DKK '000)	2021	2020
Securities over 3 months	6,251,739	7,160,321
<b>Total securities</b>	<b>6,251,739</b>	<b>7,160,321</b>
Cash	440,624	-5,225
<b>Total cash</b>	<b>440,624</b>	<b>-5,225</b>

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

At 31 December 2021, DKK 5.2 billion had been pledged as collateral.

**Note 18 Non-current liabilities and current portion of non-current liabilities**

(all figures in DKK '000)		Loans under 1 year	Derivative financial instruments (negative value)	
<b>ACQUISITION PRICE</b>				
Beginning of year	-27,790,000	-4,150,000	0	-31,940,000
Addition for the year	-4,700,000	-5,100,000	0	-9,800,000
Disposal for the year	5,600,000	4,150,000	0	9,750,000
<b>End of year</b>	<b>-26,890,000</b>	<b>-5,100,000</b>	<b>0</b>	<b>-31,990,000</b>
<b>VALUE ADJUSTMENTS</b>				
Beginning of year	-3,187,552	-129,412	-10,777,456	-14,094,420
Value adjustment for the year	834,276	90,057	2,214,659	3,138,992
<b>End of year</b>	<b>-2,353,276</b>	<b>-39,355</b>	<b>-8,562,797</b>	<b>-10,955,428</b>
<b>Carrying amount, beginning of year</b>	<b>-30,977,552</b>	<b>-4,279,412</b>	<b>-10,777,456</b>	<b>-46,034,419</b>



<b>Carrying amount, end of year</b>	<b>-29,243,276</b>	<b>-5,139,355</b>	<b>-8,562,797</b>	<b>-42,945,429</b>
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In 2021, the company took out net loans with a nominal value of DKK 50 million. The value of the company's financial instruments is recognised in the total value of liabilities at 31 December 2021. The market value adjustment of financial instruments is recognised in the income statement.

The company's loans, financial instruments, etc. are consistent with the 'list of acceptable loan types' in the agreement entered into between Danmarks Nationalbank, the Danish Ministry of Finance, the Danish Ministry of Transport and Metroelskabet.

Of the company's non-current liabilities, DKK 15.6 billion falls due after five years.

#### Note 19 Prepaid customers

Metroselskabet has joined the joint fare system in the Greater Copenhagen area. At the balance sheet date, tickets have been sold as part of the joint fare system that have not yet been used.

#### Note 20 Other debt

(all figures in DKK '000)	2021	2020
A-tax and labour market contributions payable	6,488	19,596
ATP payments, etc. payable	255	260
Holiday pay payable	17,908	39,406
Accrued interest	401,133	365,598
<b>Total other debt</b>	<b>425,784</b>	<b>424,860</b>



**Note 21 Segment information**

(all figures in DKK '000)	Advisory services 2021	Administrative tasks 2021	Commissioned Metro 2021	Ongoing construction projects	Total 2021
Income	0	56,015	1,561,949	136,627	1,754,591
Costs	-21	-56,015	-1,180,624	-136,627	-1,373,287
<b>Profit/loss before depreciation, impairment and write-downs</b>	<b>-21</b>	<b>0</b>	<b>381,325</b>	<b>0</b>	<b>381,304</b>
Depreciation, impairment and write-downs	0	0	-11,218,328	-1,438,442	-12,656,770
<b>Profit/loss before financial items</b>	<b>-21</b>	<b>0</b>	<b>-10,837,002</b>	<b>-1,438,442</b>	<b>-12,275,466</b>
<b>Non-current assets</b>					
Construction of the Metro	0	0	980,751	2,626,971	3,607,721
Metro in service	0	0	10,537,181	0	10,537,181

(all figures in DKK '000)	Advisory services 2020	Administrative tasks 2020	Commissioned Metro 2020	Ongoing construction projects	Total 2020
Income	0	57,379	1,706,518	172,333	1,936,230
Costs	-21	-57,379	-1,182,735	-172,333	-1,412,468
<b>Profit/loss before depreciation, impairment and write-downs</b>	<b>-21</b>	<b>0</b>	<b>523,783</b>	<b>0</b>	<b>523,762</b>
Depreciation, impairment and write-downs	0	0	-789,845	-639,711	-1,429,556
<b>Profit/loss before financial items</b>	<b>-21</b>	<b>0</b>	<b>-266,062</b>	<b>-639,711</b>	<b>-905,794</b>
<b>Non-current assets</b>					
Construction of the Metro	0	0	0	3,805,488	3,805,488
Metro in service	0	0	21,176,806	0	21,176,806

Advisory services comprise income and expenses related to activities that are exposed to competition. The loss on advisory services after financial items and calculated tax amounts to DKK 21k (a loss of DKK 21k in 2020). The accumulated profit on Metroselskabet's advisory services amounted to DKK 280k at the end of 2021.





Administrative tasks comprise income and expenses for the administration and handling of the client organisation for Hovedstadens Letbane I/S.

**Note 22 Proposed distribution of profit**

(all figures in DKK '000)	2021	2020
Carried forward to next year	-11,724,982	-2,774,693

**Note 23 Events occurring after the balance sheet date**

After the end of the financial year, no events of significance to the Annual Report 2021 have occurred.

**Note 24 Contractual obligations and contingent liabilities**

**Contractual obligations**

The current ongoing contracts with the contractors concerning the construction of the Metro have a total residual value of DKK 1,248 million.

Furthermore, a contract relating to the operation of the Metro until July 2027 has been signed. The contract has a total value of DKK 5,012 million. In addition to contractual payments, incentive payments will also be possible.

**Contingent liabilities**

On 10 January 2020, Metroselskabet’s contractor for the construction of the M3 Cityringen line, CMT, submitted their final invoice specifying the total amount claimed. The final invoice included claims totalling approximately EUR 805 million (approximately DKK 6.0 billion). Of this amount, approximately EUR 420 million (approximately DKK 3.1 billion) concerned claims with a payment cap of EUR 234.5 million (DKK 1.8 billion). The remaining claims of EUR 385 million (approximately DKK 2.9 billion) concerned claims with a payment cap of EUR 7.5 million (DKK 56 million). The claims have been brought before the arbitration tribunal.

In accordance with the provisions of the contract, CMT and Metroselskabet entered into negotiations on CMT’s additional claims.

Metroselskabet submitted its first statement of defence in the pending arbitration case in October 2020, claiming that CMT’s claims be dismissed. In its defence, the company demanded that the arbitration tribunal reject CMT’s claims. Metroselskabet and its lawyers are still of the opinion that CMT’s claims in the arbitration case should essentially be dismissed and therefore – subject to the customary procedural risk – do not warrant any additional payment to CMT.

In the contractual relationship between Metroselskabet and its contractors and as a natural element of the company’s major construction projects, several claims for additional payment, etc. are put forward in addition to what has already



been agreed in the contracts concluded. In addition to the aforementioned claims from CMT, there are 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 involves expropriations and compensation payments, among other things, which will be paid to the affected owners/residents by the partnership. The amount of the future compensation has not yet been determined.

**Note 25 Auditor's fees and advisory fees**

(all figures in DKK '000)	2021	2020
Office of the Auditor General	0	0
Deloitte	613	604
EY	581	573
<b>Total statutory audit</b>	<b>1,194</b>	<b>1,177</b>
Deloitte	50	49
<b>Total other engagements</b>	<b>50</b>	<b>49</b>
Deloitte, VAT and tax advisory services	995	380
Deloitte, other advisory services	262	219
EY, other advisory services	80	90
<b>Total advisory fees</b>	<b>1,337</b>	<b>689</b>
In addition to this, Deloitte has provided advisory services commissioned by the City of Copenhagen	0	539



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**Note 26 Related parties**

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Metroselskabet's related parties include the company's owners, the Board of Directors, the Executive Management and Hovedstadens Letbane.

Transactions with related parties take place on market terms.

In 2021 Metroselskabet received revenue concerning the administration and management of the client organisation in conjunction with the establishment of a Light Rail in Ring 3, see the Order concerning remuneration between Hovedstadens Letbane I/S and Metroselskabet I/S. Metroselskabet makes the necessary staff and other resources available to carry out the activities of Hovedstadens Letbane.

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**Note 27 Currency, interest and counterparty risk**

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**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 Danish Ministry of Finance, the Danish Ministry of Transport 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, loans will only be exposed in DKK and EUR.

**Interest rate risks**

Interest rate risks are managed by borrowing and investing money at variable and fixed interest rates. The net profit or loss for the year is affected by fluctuations in the market value adjustment, which is generally determined by the development in the general interest level. 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. At the end of 2021, BPV was DKK 53 million, which means that a decrease in the interest level of 1% would increase the market value by DKK 5.3 billion, and vice versa.

**Counterparty risks**

The company only places liquidity with the most creditworthy Danish and foreign institutions in order to minimise the counterparty risk. This risk is managed and monitored continuously via a special line and limit system, which establishes the principles for quantifying these risks and the maximum level of risk that can be accepted for a single 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 collateral – CSA agreements – are concluded with counterparties.

**Rating**

The corporate rating assigned by international credit-rating agencies reflects a company's creditworthiness. The ratings range from AAA, which is the top rating, followed by AA and so forth. Due to the joint and several liability of the Danish State, Metroselskabet is indirectly subject to the same credit rating as the State, which is AAA.


**Net financial liabilities:**

(all figures in DKK '000)	Nominal value 2021	Carrying amount 2021	Carrying amount 2020
Securities and fixed-term deposits	6,209,477	6,251,739	7,160,321
Accrued interest, securities and fixed-term deposits	0	0	0
<b>Total securities and fixed-term deposits</b>	<b>6,209,477</b>	<b>6,251,739</b>	<b>7,160,321</b>
Loans	-31,990,000	-34,382,631	-35,256,963
Accrued interest, loans	0	-40,327	-56,358
<b>Total loans</b>	<b>-31,990,000</b>	<b>-34,422,958</b>	<b>-35,313,321</b>
Derivative financial instruments, assets	-	2,506,116	4,663,560
Derivative financial instruments, liabilities	-	-8,562,797	-10,777,456
Accrued interest, derivative financial instruments	-	655,906	597,159
<b>Total financial instruments</b>	<b>-</b>	<b>-5,400,774</b>	<b>-5,516,737</b>
<b>Total net liabilities</b>	<b>-25,780,523</b>	<b>-33,571,993</b>	<b>-33,669,738</b>

Accrued interest is recognised in the balance sheet under assets, receivables, at DKK 1,017 million, and equity and liabilities, other debt, at DKK 401 million, respectively.

**Currency risk**

Currency distribution at 31 December 2021 (DKK million), carrying amount

	Securities and fixed-term deposits	Loans	Financial instruments	Net position
DKK <1 year	0	-5,141	24	-5,117
DKK > 1 year	0	-29,282	-5,024	-34,306
EUR < 1 year	5,087	0	0	5,087
EUR > 1 year	1,165	0	-401	764
<b>Total</b>	<b>6,252</b>	<b>-34,423</b>	<b>-5,401</b>	<b>-33,572</b>

**Interest rate risk**



## Interest rate fixing at 31 December 2021 (DKK million), carrying amount

	DKK	EUR	Total
0-1 years	-5,117	5,087	-30
1-5 years	-11,301	1,465	-9,836
5-10 years	-12,409	-401	-12,810
10-20 years	-6,687	0	-6,687
> 20 years	-3,909	-300	-4,209
<b>Total</b>	<b>-39,423</b>	<b>5,851</b>	<b>-33,572</b>

**Counterparty risk**

Liquidity investments and the use of financial instruments involve a counterparty risk in the form of either credit risk or liquidity risk. This risk is managed and monitored continuously via a special line and limit system which establishes the principles for quantifying these risks and the maximum level of risk that can be accepted for a single counterparty. The latter is determined by the international rating agencies (Moody's, Standard & Poor's and Fitch/IBCA). The company also seeks to reduce the level of risk by using appropriate agreement documentation.

Counterparty risk by rating category, at 31 December 2021

	Securities and fixed-term deposits	Loans	Derivative financial instruments	Total
Total counterparty exposure (carrying amount, DKK million)				
AAA	6,252	-34,423	0	-28,171
AA	0	0	-193	-193
AA	0	0	28	28
A	0	0	-5,426	-5,426
A	0	0	190	190
<b>Total</b>	<b>6,252</b>	<b>-34,423</b>	<b>-5,401</b>	<b>-33,572</b>

The counterparties to the agreements are subject to collateral agreements. At 31 December 2021, Metroselskabet's net collateral amounted to DKK 4.9 billion.

**Note 28 Specification of loans and derivative financial instruments**

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

1) When the company takes out a loan, most of it is converted into a variable-rate loan immediately after borrowing by means of interest rate swaps. Because the conversion to a variable-rate loan is considered to be an effective means of hedging, changes in the fair value of both the hedged loan and the interest rate swap are recognised in the income statement (fair value hedging) in accordance with the accounting policies. These adjustments essentially balance each other out. Loans that are not converted to variable-rate loans are recognised at amortised cost.





2) As part of Metroselskabet's financial strategy, the company interest-hedges (converting from a variable interest rate to a fixed nominal interest rate or a fixed real interest rate) approximately 80% of the expected maximum net debt. The aim of the interest rate hedging is to hedge some of the interest rate risk and thus increase the budgetary certainty of the company's long-term finances. Interest rate hedging hedges future cash flows in the form of the interest payments that are expected to be made in the future. Because there is no direct correlation between the individual loans and the individual hedging instruments, the hedging is not considered to be effective from an accounting point of view and therefore the adjustment of fair value of interest hedging made on a portfolio basis is recognised in the income statement in accordance with the accounting policies. This adjustment primarily constitutes the market value adjustment for the year.

The table below shows Metroselskabet's total borrowing by term, and the proportion of the loans that have been swapped to variable-rate loans, see item 1 above.

(All figures in DKK million)	Fixed (Principal)	CIBOR 3M	CIBOR 6M	Carrying amount 31 December 2021
<b>Term &lt; 1 year</b>				
Loans	-5,100	0	0	-5,141
Interest rate swap (fixed to variable)	0	0	0	0
Interest rate swap (fixed to variable)	3,200	0	-3,200	28
<b>Net exposure</b>	<b>-1,900</b>	<b>0</b>	<b>-3,200</b>	<b>-5,113</b>
<b>Term of 2-5 years</b>				
Loans	-11,250	0	0	-11,913
Interest rate swap (fixed to variable)	2,600	-2,600	0	134
Interest rate swap (fixed to variable)	7,950	0	-7,950	486
<b>Net exposure</b>	<b>-700</b>	<b>-2,600</b>	<b>-7,950</b>	<b>-11,294</b>
<b>Term of 6-10 years</b>				
Loans	-12,100	0	0	-12,584
Interest rate swap (fixed to variable)	750	-750	0	36
Interest rate swap (fixed to variable)	9,950	0	-9,950	367
<b>Net exposure</b>	<b>-1,400</b>	<b>-750</b>	<b>-9,950</b>	<b>-12,181</b>
<b>Term of 11-20 years</b>				
Loans	-2,040	0	0	-3,297
Interest rate swap (fixed to variable)	-1,200	-1,200	0	920
<b>Net exposure</b>	<b>-840</b>	<b>-1,200</b>	<b>0</b>	<b>-2,377</b>
<b>Term of 31-40 years</b>				
Loans	-1,500	0	0	-1,488
Interest rate swap (fixed to variable)	0	0	0	0



Interest rate and currency swap (fixed to variable)	0	0	0	0
<b>Net exposure</b>	<b>-1,500</b>	<b>0</b>	<b>0</b>	<b>-1,488</b>
Total loans	-31,990	0	0	-34,423
Interest rate swap (fixed to variable)	25,650	-4,550	-21,100	1,970
<b>Total</b>	<b>-6,340</b>	<b>-4,550</b>	<b>-21,100</b>	<b>-32,453</b>

For loans with a principal of DKK 6,340 million, no fixed to variable conversion agreement has been concluded. These loans are recognised at amortised cost in accordance with the accounting policies.

The table below shows all interest hedging agreements concluded by Metroselskabet, see item 2 above.

	CPI* + fixed	Fixed	CIBOR 6M	EURIBOR 6M	Carrying amount 31 December 2021
<b>Term of 1-10 years</b>					
Interest rate swap (variable to fixed)	0	-1,005	1,005	0	-228
Interest rate swap (real to fixed)	2,017	-2,017	0	0	-417
Interest rate swap (fixed to variable)	0	500	-500	0	5
<b>Net exposure</b>	<b>2,017</b>	<b>-2,521</b>	<b>505</b>	<b>0</b>	<b>-640</b>
<b>Term of 11-20 years</b>					
Interest rate swap (variable to fixed)	0	-9,267	9,267	0	-4,736
Interest rate swap (real to fixed)	405	-405	0	0	-4
Interest rate swap (fixed to real)	-1,491	1,491	0	0	431
Interest rate swap (variable to real)	0	0	0	0	0
<b>Net exposure</b>	<b>-1,086</b>	<b>-8,180</b>	<b>9,267</b>	<b>0</b>	<b>-4,310</b>
<b>Term of 21-30 years</b>					
Interest rate swap (variable to fixed)	0	-3,000	3,000	0	-2,248
Interest rate swap (fixed to real)	-1,500	1,500	0	0	736
<b>Net exposure</b>	<b>-1,500</b>	<b>-1,500</b>	<b>3,000</b>	<b>0</b>	<b>-1,512</b>
<b>Term of 31-40 years</b>					
Interest rate swap (variable to fixed)	0	-5,020	5,020	0	-358
Interest rate and currency swap (variable to fixed)	0	-1,043	0	1,043	-249
Interest rate swap (fixed to real)	-1,314	1,314	0	0	-302
<b>Net exposure</b>	<b>-1,314</b>	<b>-4,749</b>	<b>5,020</b>	<b>1,043</b>	<b>-909</b>



Interest rate swap (real to fixed)	2,422	-2,422	0	0	-421
Interest rate and currency swap (variable to fixed)	0	-1,043	0	1,043	-249
Interest rate swap (fixed to variable)	0	500	-500	0	5
Interest rate swap (variable to real)	0	-18,291	18,291	0	-7,570
Interest rate swap (fixed to real)	-4,305	4,305	0	0	865
<b>Total</b>	<b>-1,883</b>	<b>-16,951</b>	<b>17,791</b>	<b>1,043</b>	<b>-7,371</b>

\* CPI = Consumer price index

Financial agreements (fair value hedging)	1,970
Financial agreements (future cash flows)	-7,371
<b>Total financial agreements</b>	<b>-5,401</b>

The market value of loans with associated financial instruments, and the financial instruments, is determined as the market value when 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.



# Statement by the Board of Directors and the Executive Management





The Board of Directors and the Executive Management have today considered and adopted the Annual Report 2021 for Metroselskabet I/S.

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

policies applied are appropriate, and the financial statements give a true and fair view of the company's assets, liabilities, financial position, results and cash flows. It is also our opinion that the management commentary provides a true and fair view of the circumstances covered by the commentary.

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

Copenhagen, 25 February 2022

### **Executive Management**

Henrik Plougmann Olsen

### **Board of Directors**

Jørn Neergaard Larsen  
(Chairman)

Lars Weiss  
(Vice Chairman)

Michael Vindfeldt  
(Vice Chairman)

Birgitte Brinch Madsen

Harald Børsting

Troels Christian Jakobsen

Helle Bonnesen

Kirsten Eljena Thomsen

Anette Alm





# 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 2021, 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 assets, liabilities and financial position at 31 December 2021 and of the results of its operations and its cash flows for the financial year 1 January to 31 December 2021 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 Arealudviklingselskabet I/S and the Danish Auditor General Act. Our responsibilities under those standards and requirements are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of this auditor's report.

The Auditor General is independent of Metroselskabet in accordance with section 1(6) of the Danish Auditor General Act and the licensed accountant is independent of the company under the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark. We have both fulfilled our other ethical responsibilities in accordance with these rules and requirements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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.

### Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark and generally accepted public accounting standards, see the Danish Act on Metroselskabet I/S and Arealudviklingselskabet 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 Arealudviklingselskabet I/S and the Danish Auditor General Act, we exercise professional judgement and maintain 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are

based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause 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, 25 February 2022

**Office of the Auditor General**

CVR no.: 77806113

Lone Lærke Strøm  
Auditor General

Malene Sau Lan Leung  
Head of Department

**Deloitte**

Statsautoriseret Revisionspartnerselskab, CVR no.: 33963556

Erik Lyng Skovgaard Jensen  
State-Authorised Public Accountant  
MNE number: 10089

Bryndís Símonardóttir  
State-Authorised Public Accountant  
MNE number: 40064

**EY**

Godkendt revisionspartnerselskab, CVR no.: 30700228

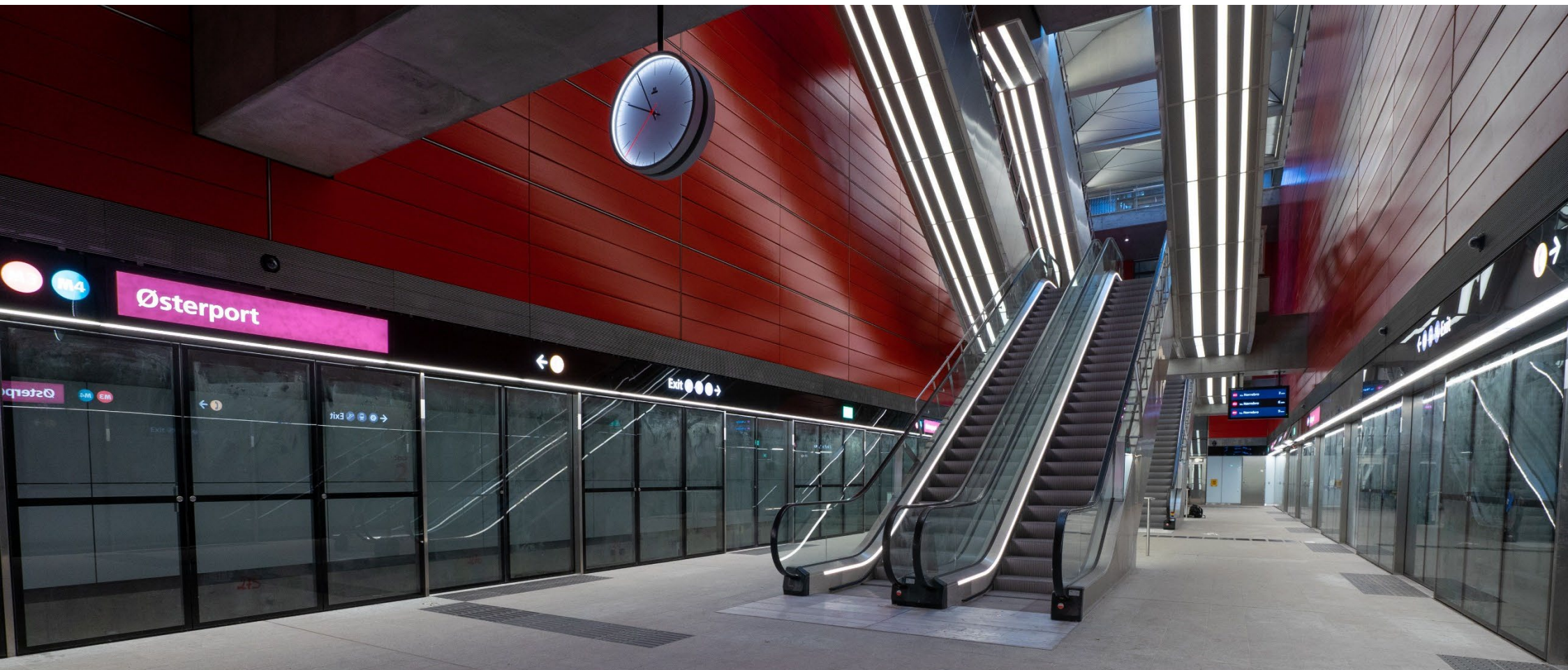
Michael N. C. Nielsen  
State-Authorised Public Accountant MNE number: 26738  
MNE number: 26738

Finn Thomassen  
State-Authorised Public Accountant  
MNE number: 33691





# Appendix to the management commentary







Metroselskabet's long-term budget represents the expected long-term financial development of the company. The following long-term budget for 2022 was adopted by the Board of Directors in December 2021. In relation to the long-term budget for 2021 from December 2021, expected losses due to passenger recovery after COVID-19 and the expansion of the company's interest rate hedging have been incorporated.

## Long-term budget assumptions

The long-term budget is stated in current prices:

### Income – passenger numbers and fares

1. Passenger numbers are determined according to the passenger forecast based on the most recently updated traffic model. For the 2022-2027 period, account has been taken of the expected passenger recovery as a result of COVID-19. The budget for 2022 forecasts 91 million passengers, rising to 116 million passengers in 2023 and 174 million in 2027. In 2035, the number of passengers is expected to reach 189 million. After 2035, the passenger numbers will correspond to the current expectations for 2035.
2. The fare assumptions are based on the price per passenger, and the Order on ticket revenue sharing in the Greater Copenhagen area following the abolition of the double-factor model. The fare assumptions are adjusted to 2022 prices based on the actual development in fares in the period and each krone settled without recognition of the different product choices and travel patterns identified during the COVID-19 pandemic. Consequently, the budgeted

fares are based on the passenger mix for 2019 (pre-COVID-19). The average settlement per passenger in 2022 is budgeted at DKK 11.53. The actual future development is based on the Ministry of Finance's expected development in prices.

### Operating expenses

3. The operating expenses for the commissioned Metro are estimated on the basis of the company's costs as set out in the operation and maintenance contracts. For the M4 Sydhavn line, the basis is the transport system contracts.
4. To provide for expected additional costs related to the operation of the Metro, an annual reserve has been set up, estimated on the basis of a risk level of P50.

### Investments

5. The construction budgets for the M3 Cityringen and M4 Nordhavn lines were completed in 2020. The final construction budget for the M3 Cityringen line is DKK 25.3 billion (DKK 23.6 billion in 2010 prices). The final construction budget for the M4 Nordhavn line is DKK 2.7 billion (DKK 2.9 billion in 2012 prices incl. reserves).
6. The capital expenditure for the M4 Sydhavn line is based on the most

recently approved construction budget. The total capital expenditure is estimated at DKK 8.6 billion incl. adjustment reserves in 2014 prices (DKK 9.7 billion in 2022 prices).

7. The capital investments for the company's investment programme (capacity increases) amount to DKK 2.2 billion in 2022 prices incl. reserves.
8. For the 2022-2024 period, operational mobilisation and mobilisation (M4 Sydhavn) are budgeted at a total of DKK 162 million in 2022 prices.
9. Reinvestments in connection with the M3 Cityringen line are based on the assumptions in the agreement in principle and for every 10th year amount to DKK 301 million, for every 25th year to DKK 1,354 million, and after an additional 50 years to DKK 602 million, in 2022 prices.
10. Reinvestments in connection with the M4 Nordhavn line are based on the assumptions in the report and for every 10th year amount to DKK 40 million, for every 25th year to DKK 180 million, and after an additional 50 years to DKK 79 million, in 2022 prices.



11. Reinvestments in connection with the M4 Sydhavn line are based on the assumptions in the agreement in principle and for every 10th year amount to DKK 87 million, for every 25th year to DKK 393 million, and after an additional 50 years to DKK 175 million, in 2021 prices.
12. For reinvestments in connection with the M1/M2, DKK 351 million is allocated for every 10th year, approximately DKK 1,424 million for every 25th year, and DKK 2,848 million after 50 years, in 2022 prices.
13. To pay for expected additional costs related to the commissioned facility, a reserve estimated on the basis of a risk level of P80 has been set up.

**Other conditions**

14. The Metro is registered for VAT, 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 offset.
15. The rate of return on the debt is based on the Ministry of Finance's interest rate expectations in August 2021. The rate of return takes account of the company's financial interest rate hedging agreements.
16. The payment agreement with the Danish State includes annual payments of DKK 278-383 million (2019 prices) in the period 2021-2060. The payments are index-linked to the Ministry of Finance's

construction index (assumption index under the Danish Finance Act).

17. The conversion to current prices is based on the Ministry of Finance's inflation expectations in August 2021.

Note: P50 and P80 describe how the value of the company's total identified risks is calculated with a probability of 50% and 80%, respectively.



# Long-term budget





## Long-term budget 2022 for Metroselskabet I/S (current prices)

(DKK million)

Repayment year 2062

Expected max. net debt -33,596

Year of expected max. debt 2025

Year	Capital investments	Reinvestments	Operating profit/loss (EBITDA)	Change in working capital	Payment agreement	Financial items	Liquidity effect	Net debt, beginning of year	Net debt, end of the year
2021	-1,694	-21	241	0	278	-410	-1,607	-26,141	-27,748
2022	-1,227	-44	-237	0	305	-400	-1,602	-27,748	-29,350
2023	-1,966	-47	74	0	334	-467	-2,072	-29,350	-31,421
2024	-2,366	-43	204	1,438	357	-513	-922	-31,421	-32,344
2025	-1,421	-39	384	0	381	-557	-1,252	-32,344	-33,596
2026	0	-44	530	0	391	-576	301	-33,596	-33,295
2027	0	0	623	0	403	-627	399	-33,295	-32,896
2028	0	0	727	0	415	-636	505	-32,896	-32,390
2029	0	-343	767	0	425	-645	204	-32,390	-32,186
2030	0	-46	808	0	435	-667	530	-32,186	-31,657
2031	0	0	842	0	446	-690	598	-31,657	-31,059
2032	0	-421	880	0	458	-673	243	-31,059	-30,815
2033	0	0	919	0	470	-679	710	-30,815	-30,105
2034	0	-109	957	0	482	-671	660	-30,105	-29,445
2035	0	-1,781	987	0	490	-681	-986	-29,445	-30,431
2036	0	0	1,012	0	499	-670	841	-30,431	-29,590
2037	0	0	1,034	0	509	-665	878	-29,590	-28,712
2038	0	0	1,066	0	518	-639	945	-28,712	-27,767
2039	0	-411	1,097	0	528	-626	587	-27,767	-27,180
2040	0	-56	1,136	0	538	-622	997	-27,180	-26,183
2041	0	0	1,165	0	548	-582	1,132	-26,183	-25,052
2042	0	-507	-1,200	0	559	-564	688	-25,052	-24,364
2043	0	0	1,234	0	569	-555	1,248	-24,364	-23,116
2044	0	-2,164	1,271	0	580	-560	-873	-23,116	-23,989
2045	0	-274	1,315	0	591	-568	1,064	-23,989	-22,925
2046	0	0	1,352	0	603	-534	1,421	-22,925	-21,504
2047	0	0	1,397	0	614	-488	1,522	-21,504	-19,982
2048	0	0	1,440	0	625	-436	1,629	-19,982	-18,353
2049	0	-1,143	1,486	0	637	-394	585	-18,353	-17,768



2050	0	-67	1,539	0	648	-354	1,766	-17,768	-16,002
2051	0	0	1,568	0	661	-300	1,929	-16,002	-14,073
2052	0	-5,538	1,596	0	673	-379	-3,649	-14,073	-17,722
2053	0	0	1,625	0	685	-615	1,695	-17,722	-16,027
2054	0	-158	1,656	0	698	-550	1,646	-16,027	-14,381
2055	0	0	1,686	0	710	-505	1,892	-14,381	-12,490
2056	0	0	1,718	0	724	-428	2,013	-12,490	-10,476
2057	0	0	1,751	0	738	-347	2,141	-10,476	-8,335
2058	0	0	1,782	0	751	-298	2,235	-8,335	-6,101
2059	0	-596	1,816	0	765	-220	1,765	-6,101	-4,335
2060	0	-80	1,849	0	779	-138	2,409	-4,335	-1,926
2061	0	0	1,884	0	0	-40	1,844	-1,926	-82
<b>2062</b>	<b>0</b>	<b>-733</b>	<b>1,918</b>	<b>0</b>	<b>0</b>	<b>20</b>	<b>1,205</b>	<b>-82</b>	<b>1,123</b>
2063	0	-3,032	1,954	0	0	-21	-1,099	1,123	23
2064	0	-190	1,991	0	0	36	1,837	23	1,860
2065	0	0	2,027	0	0	40	2,067	1,860	3,928







[Read more about the Metro at m.dk](#)