



Q2 2021 Interim Report

SOLID GROWTH IN FREIGHT VOLUMES

- Q2 EBITDA increased 77% to DKK 897m
- Mediterranean continued strong performance
- Passenger volumes remain impacted by travel restrictions



Highlights Q2

Q2 2021

- Freight EBITDA up DKK 400m
- Significant recovery from 2020-lockdowns
- EBITDA for Mediterranean route network improved DKK 191m
- ESG-reporting expanded

Outlook 2021, unchanged

- EBITDA of DKK 3.2-3.6bn
- Revenue growth of 20-25%
- No passenger recovery from 2020 expected in 2021

“Our freight activities delivered strong results in Q2, also compared to 2019. Not least the Mediterranean route network continues to do well. We look forward to welcoming passengers back once travel restrictions are eased and uncertainty reduced.”

Torben Carlsen, CEO

Revenue increased DKK 1.4bn or 51% to DKK 4.2bn following lockdowns in Q2 2020. The growth was driven almost entirely by the freight activities, i.e. freight ferry and logistics, as passenger activities remained negatively impacted by tight travel restrictions in the quarter.

Freight EBITDA before special items increased DKK 400m or 71% to DKK 961m driven mainly by the Mediterranean, North Sea and Channel business units. The passenger EBITDA improved DKK 4m to DKK -70m. Total EBITDA increased 77% to DKK 897m compared to 2020.

Both freight and passenger earnings were significantly negatively impacted by lockdowns in Q2 2020. Compared to Q2 2019, a normal operating year, the freight EBITDA was up DKK 268m or 38% while the passenger EBITDA was down DKK 369m.

Outlook 2021

The outlook for freight activities remains positive while passenger travel is picking up slower than expected. Consolidation of earnings from the HSF Logistics Group is now expected in September 2021. Revenue is still expected to grow 20-25%. The range for EBITDA before special items is unchanged DKK 3.2-3.6bn (2020: DKK 2.7bn) compared to the upgrade on 23 April 2021.

The outlook is detailed on page 9.

KEY FIGURES

DKK m	2021 Q2	2020 Q2	Change, %	2020-21 LTM	2019-20 LTM	Change, %	2020 FV
Revenue	4,213	2,798	50.6	15,340	15,092	1.6	13,971
EBITDA before special items	897	507	77.0	3,263	3,083	5.8	2,732
EBIT before special items	394	48	n.a.	1,349	1,156	16.7	858
Profit before tax and special items	315	-32	n.a.	1,035	893	15.8	583
Profit before tax	328	11	n.a.	878	878	0.0	466

17 August 2021. Conference call today at 10.00am CET

Access code: 553848736# Phone numbers to the call: DK +45 35445577, US +1 631 913 1422, UK +44 333 300 0804

Key figures

DKK m	2021 Q2	2020 Q2	2021 H1	2020 H1	2020-21 LTM	2020 Full year
Income statement						
Revenue	4,213	2,798	7,981	6,612	15,340	13,971
• Ferry Division*	2,960	1,808	5,554	4,436	10,564	9,445
• Logistics Division*	1,554	1,147	2,980	2,541	5,740	5,301
• Non-allocated items	136	156	273	295	469	491
• Eliminations*	-437	-312	-827	-660	-1,434	-1,268
Operating profit before depreciation (EBITDA) and special items	897	507	1,647	1,117	3,263	2,732
• Ferry Division*	765	392	1,407	917	2,805	2,315
• Logistics Division*	126	95	227	190	499	462
• Non-allocated items	6	20	14	10	-41	-45
Profit/loss on disposal of non-current assets, net	1	2	2	3	3	5
Operating profit (EBIT) before special items	394	48	672	181	1,349	858
Special items, net	12	43	2	42	-157	-117
Operating profit (EBIT)	406	91	674	222	1,192	741
Financial items, net	-78	-80	-155	-115	-314	-275
Profit before tax	328	11	519	107	878	466
Profit for the period	306	8	479	89	831	442
Profit for the period excluding non-controlling interest	301	11	468	89	812	433
Capital						
Total assets	-	-	28,515	26,635	-	27,006
DFDS A/S' share of equity	-	-	10,928	10,295	-	10,511
Equity	-	-	11,027	10,375	-	10,600
Net interest-bearing debt	-	-	11,688	12,136	-	11,361
Invested capital, end of period	-	-	22,875	22,670	-	22,121
Invested capital, average	22,668	22,746	22,486	22,656	22,508	22,500

DKK m	2021 Q2	2020 Q2	2021 H1	2020 H1	2020-21 LTM	2020 Full year
Cash flows						
Cash flows from operating activities, before financial items and after tax	995	611	1,487	1,044	3,216	2,772
Cash flows from investing activities	-164	-338	-511	-969	-1,159	-1,618
• Acquisition of enterprises and activities	0	0	0	-14	0	-14
• Other investments, net	-164	-338	-511	-955	-1,159	-1,603
Free cash flow	831	272	977	75	2,056	1,155
Repayment of lease liabilities and lease interest	-227	-173	-422	-357	-745	-679
Adjusted free cash flow (FCFF)	604	100	554	-282	1,311	475
Key operating and return ratios						
Average number of employees	-	-	8,120	8,355	8,187	8,213
Number of ships	-	-	81	68	-	70
Revenue growth (reported), %	50.6	-34.0	20.7	-18.5	9.8	-15.8
EBITDA-margin, %	21.3	18.1	20.6	16.9	21.3	19.6
Operating margin, %	9.3	1.7	8.4	2.7	8.8	6.1
Revenue/invested capital average, (times)	-	-	-	-	0.7	0.6
Return on invested capital (ROIC), %	-	-	-	-	4.9	3.0
ROIC before special items, %	-	-	-	-	5.6	3.5
Return on equity, %	-	-	-	-	7.7	4.2
Key capital and per share ratios						
Equity ratio, %	-	-	38.7	39.0	-	39.3
Net interest-bearing debt/EBITDA, (times)	-	-	-	-	3.6	4.2
Earnings per share (EPS), DKK	5.24	0.20	8.15	1.55	14.16	7.56
Dividend paid per share, DKK	0.00	0.00	0.00	0.00	0.00	0.00
Number of shares, end of period, '000	-	-	58,632	58,632	-	58,632
Weighted average number of circulating shares, '000	-	-	57,509	57,288	-	57,310
Share price, DKK	-	-	353.8	204.6	-	275.2
Market value	-	-	20,294	11,730	-	15,790

* North Sea port logistics activities have been transferred from the Ferry Division to the Logistics Division per 1 January 2021. 2020 comparative figures have been restated accordingly.
Definitions on page 30.

ESG key figures

	Unit	2021 Q1	2021 Q2	2021 H1	2020 Full year
Environmental data					
Operated ships*	Number	64	67	67	66
Total number of days operated	Days	5,757	5,694	11,451	18,774
CO2e emissions					
CO2 emissions per GT mile	gCO2	14.0	13.7	13.9	13.5
Energy consumption					
Total marine fuel consumption	Tonnes HFOe	180,179	198,058	378,237	619,867
Fuel consumption per nautical mile	kg HFOe/Nm	141.1	137.2	139.0	135.8
Fuel consumption per GT-nautical mile	g/GT/Nm	4.5	4.4	4.4	4.3
Oil spills					
Spills (>1 barrel)	Number	0	0	0	1
Social data					
Number of employees (end numbers)	FTE	8,059	8,241	-	7,944
Representation of women					
Total workforce gender ratios:	%	24	24	-	23
• At sea	%	15	16	-	15
• On land	%	28	28	-	27
Senior management	%	17	17	-	16
Managers	%	10	10	-	13
Employees	%	26	26	-	26
Safety at sea					
Lost-time injury frequency (LTIF)	Incidents/mill. hours	5.3	3.4	4.3	4.0
Safety on land					
Lost-time injury frequency (LTIF)	Incidents/mill. hours	6.7	5.0	5.8	5.9
Fatalities					
Colleagues	Accidents	0	1	1	0
Contractors	Accidents	0	0	0	2
Governance data					
Representation of women in the Board	%	33	33	33	33
Attendance at Board meetings	%	100	100	100	96

*The difference between Operated ships and Number of ships on previous page is ships operated through space charter agreements.

Quarterly reporting of selected key figures for ESG (Environment, Social, Governance) is initiated in this report. 2020 quarterly comparison figures are not available.



Management review

Market overview

The European freight market stabilised and growth picked up during Q2 following the Brexit transition that impacted Q1 2021.

The current growth in the freight market, however, exceeds capacity due to shortages of truck drivers and equipment, particularly in the UK. This has led to a rise in haulage costs, longer lead times and less reliable supply chains as well as congestion in some ports. The market imbalance is expected to continue in Q3.

The UK will phase in full import border controls by 1 January 2022, including pre-notification requirements for products of animal origin by 1 October 2021.

Trade between the EU and Turkey continued to grow in Q2 as the depreciation of the Turkish Lira, TRY, continued to benefit Turkish exports. Economic activity was robust in the quarter as growth in the EU and other regions supported industrial production. The Turkish economy is expected to continue to grow, primarily driven by the export sector.

The European market for passenger ferry travel remained negatively impacted by tight travel restrictions in Q2 2021. Covid-19 mutations and variations among countries

in the speed of vaccination rollouts entail that travel restrictions still prevent a pickup in ferry travel.

The main changes in average exchange rates in Q2 2021 vs Q2 2020 were a depreciation of TRY/DKK by 25% and appreciation of NOK/DKK by 9%.

Major events in Q2

Channel journey time shortened for freight customers through space charter agreement

To enhance the ferry offering to freight customers through shorter waiting times, as well as to improve the efficiency of the ferry infrastructure between the UK and the EU, DFDS entered on 25 May 2021 a mutual space charter agreement with P&O Ferries on the Dover-Calais ferry route.

The space charter agreement will enable freight customers to board the next available sailing on the Dover-Calais route, regardless of which of the two companies is operating the crossing. All commercial activities and relationships with freight customers remain entirely under the control of each operator.

The new space charter agreement will shorten the ferry journey time by up to 30 minutes and reduce queuing in

Dover and Calais. The Dover-Calais space charter agreement is expected to become operational around 1 October 2021.

Sale of Belgian logistics property

On 7 June 2021, DFDS entered into an agreement to sell a property in Ghent, Belgium, with effect from 26 July 2021. The property includes offices, a workshop for transport equipment and land of 24,400 m².

The Ghent logistics office will after completion of the sale move to offices in the port that also houses DFDS' ferry operations. The expected accounting gain from the sale of DKK 30m will be reported under Special items in Q3 2021.

Sale and purchase of freight ferries

In Q2 2021, a smaller freight ferry (ro-ro), Gothia Seaways, was sold. At the same time, DFDS acquired a larger freight ferry, Meleq, from the buyer. The accounting gain of from the sale of DKK 20m is reported under Special items in this quarter.

Major events after Q2

Oslo-Frederikshavn-Copenhagen route reopened

The Oslo-Frederikshavn-Copenhagen route was reopened on 2 July 2021 following a lay-up of the route's two

ferries since November 2020 and January 2021, respectively.

New unaccompanied freight ferry route opened between Calais and Sheerness

On 12 July 2021, a new freight ferry route between Calais and Sheerness was opened in response to increasing demand for additional capacity for unaccompanied freight (trailers) between France and the UK. The route has one daily round trip operating seven days per week, deploying one freight ferry (ro-ro).

Closing of the acquisition of HSF Logistics Group

On 26 January 2021, DFDS entered into an agreement to acquire 100% of HSF Logistics Group. The company is one of Europe's leading cold chain logistics providers to meat producers and other food producers that operate temperature-controlled supply chains.

Closing of the transaction is now expected to take place in September 2021 subject to regulatory approval.

The HSF Logistics Group has annual revenue of DKK 2.8bn and EBITDA of around DKK 400m. The company has 1,800 employees and operates around 700 trucks and 1,700 reefer trailers, including both owned and leased units.

New Channel ferry boosts freight capacity and passenger experience

On 4 August 2021, a combined freight and passenger ferry newbuilding was deployed between Dover and Calais on the Channel. The ferry's 3,100 lane metre deck capacity is an increase of 78% compared to the older ferry it is

replacing. Fuel consumption per transported freight unit is expected to decrease by around 50% contingent on utilisation. The passenger on board experience is enhanced, including a tripling of retail space to 1,100m².

The new ferry is chartered for a 10-year period and part of DFDS' fleet renewal program to provide efficient, sustainable and reliable ferry services for both freight customers and passengers.

ESG-actions and plans

From this quarter, a selection of ESG (Environment, Social, Governance) key figures are reported, see page 4, as well as an overview of key actions and plans.

DFDS' Climate Action Plan covers both short-term actions to reduce emissions from existing assets, mainly ferries and transport equipment, and transformative long-term actions to become a zero-emission company.

Environment – short-term actions and plans

A number of actions to lower ferry fuel consumption and emissions are being implemented in 2021, including:

- Latest route planning and propulsion control technology installed on one ferry in Q2
- Anti-fouling hull paint applied to five ferries to reduce friction in the water and hence fuel consumption
- LED lighting installed on freight decks on three ferries
- Installation on five ferries of new injection system to optimise engine combustion and save fuel (PMI VIT)

- Shore power facility in Copenhagen expected to become operational during Q3 2021

Fuel and emission savings from the applications are continuously documented and subsequently applied to the rest of the fleet as appropriate.

On the logistics side, DFDS expects in August 2021 to operate its first electric truck in a collaboration with Volvo Trucks. The goal is initially to gain mutual learnings and insights regarding battery capacity, route planning, charging and driver experiences.

Environment – transformative actions and plans

Sustainable Fleet Projects, a new focused unit within DFDS, has been established with the aim of deploying a zero-emission freight ferry in the route network by 2025. Both retrofitting and a newbuilding options are being analysed and considered.

Social actions and plans

DFDS' ambition to increase female representation among senior management requires a talented and diverse employee force, including an improved gender balance. A number of actions to develop a diverse talent pool are being implemented:

- Female hiring ratio for land positions raised to 39% in H1 2021 which will increase the gender ratio across all levels in the organisation
- Diversity training of senior management and development of D&I (Diversity & Inclusion) toolbox

- New talent mentor program to support development of talented employees for future Director and VP positions.

Fatality

On 6 April 2021, a Turkish seafarer died from injuries sustained in a tragic fatal accident in the Port of Sète during loading of a freight ferry. Learnings from the accident have been integrated in DFDS' Safety First program to avoid similar accidents in the future.

Governance

Each member of DFDS' Executive Management Team was earlier this year assigned responsibility for key ESG goals.

Financial performance

Revenue

The Group's Q2 revenue was DKK 4,213m, an increase of 50.6% compared to 2020.

The Group's H1 revenue was DKK 7,981m, an increase of 20.7% compared to 2020.

Ferry Division's Q2 revenue increased 63.7% to DKK 2,960m as freight volumes and revenue have recovered since the lockdowns in 2020. In addition, revenue was increased by the launch of two new freight routes - Ireland-France and Turkey-Spain - and standby capacity agreements with DfT (UK Department for Transport). Passenger revenue was significantly

Revenue

DKK m	Q2 2021	Q2 2020	Change, %	Change
Ferry Division*	2,960	1,808	63.7	1,152
Logistics Division*	1,554	1,147	35.5	407
Non-allocated items	136	156	-12.4	-19
Eliminations	-437	-312	-40.0	-125
DFDS Group	4,213	2,798	50.6	1,415

* North Sea port logistics activities have been transferred from the Ferry Division to the Logistics Division per 1 January 2021. 2020 comparison figures are re-stated accordingly.

negatively impacted by travel restrictions in both 2021 and 2020.

Logistics Division's Q2 revenue increased 35.5% to DKK 1,554m. The increase was likewise mainly due to the recovery in activity since the lockdowns in 2020.

Operating profit before depreciation (EBITDA) and special items

The Group's Q2 EBITDA increased 77% to DKK 897m.

The Group's H1 EBITDA increased 48% to DKK 1,647m from DKK 1,117m in 2020.

Ferry Division's Q2 EBITDA increased 95% to DKK 765m. The freight ferry activities increased EBITDA DKK 369m or 79% to DKK 835m while EBITDA for the passenger activities increased DKK 4m to DKK -70m.

The main driver of the freight ferry result was the recovery of activity from the 2020-lockdowns. The opening of new routes and the standby capacity agreements also

contributed to the result. The increase in the result for the passenger activities was mostly due to duty-free sales.

Logistics Division's Q2 EBITDA increased 33% to DKK 126m, likewise mainly due to the recovery of activity from the 2020-lockdowns. New customs clearance activities also contributed to the result.

The Group's Q2 result includes compensations of DKK 26m from government Covid-19 programs.

Depreciation and operating profit (EBIT) before special items

Depreciation in Q2 of DKK 502m increased 9% compared to 2020. The increase was primarily due to depreciation on additional chartered freight ferries.

Depreciation in H1 of DKK 971m increased 4% compared to 2020.

The Group's Q2 EBIT before special items increased DKK 346m to DKK 394m. For H1, EBIT before special

items increased by DKK 491m from DKK 181m in 2020 to DKK 672m.

Special items and operating profit (EBIT) after special items

In Q2 2021, special items were a net income of DKK 12m mainly derived from an accounting gain from the sale of a freight ferry.

In H1 2021, special items were a net income of DKK 2m.

The Group's Q2 EBIT after special items increased DKK 315m to DKK 406m. For H1, EBIT after special items increased by DKK 452m to DKK 674m.

Financial items

Total finance, net in Q2 was a cost of DKK 78m which was a decrease of DKK 2m compared to Q2 2020. The net interest cost increased DKK 11m following higher interest costs caused by a temporary waiver of loan covenants.

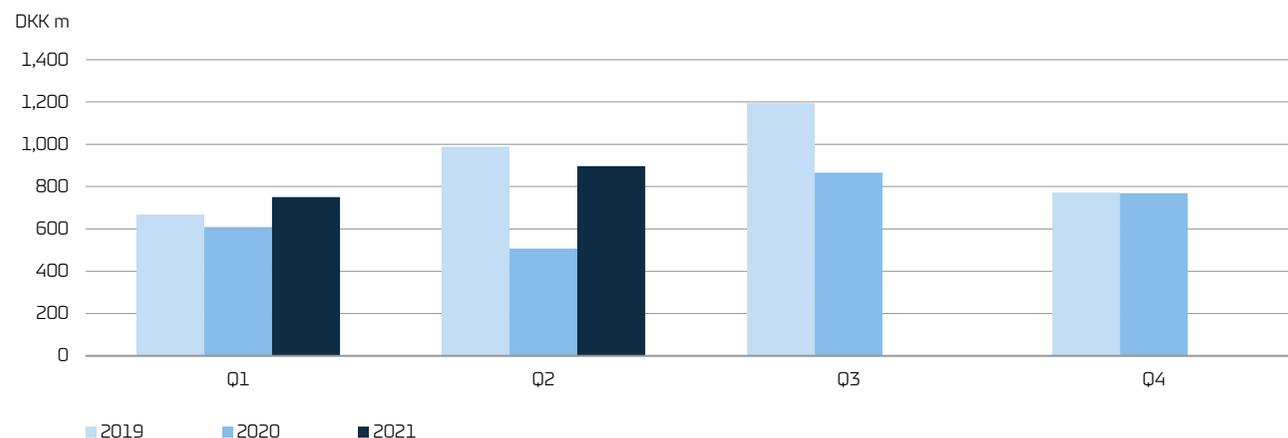
The waiver was cancelled by DFDS in May 2021. This increase was more than offset by a positive variance on net currency adjustments.

Total finance, net in H1 was a cost of DKK 155m which was an increase of DKK 40m compared to H1 2020.

Profit before special items and tax

The Q2 profit before special items and tax increased DKK 348m to DKK 315m. The profit for the period increased DKK 298m to DKK 306m. For H1, the profit before special items and tax was DKK 517m and the profit for the period was DKK 479m.

DFDS GROUP - EBITDA BEFORE SPECIAL ITEMS



Operating profit before depreciation (EBITDA) & special items

DKK m	Q2 2021	Q2 2020	Change, %	Change
Ferry Division*	765	392	95.1	373
Logistics Division*	126	95	33.0	31
Non-allocated items	6	20	-71.2	-14
DFDS Group	897	507	77.0	390
EBITDA-margin, %	21.3	18.1	n.a.	3.2

* North Sea port logistics activities have been transferred from the Ferry Division to the Logistics Division per 1 January 2021. 2020 comparison figures are restated accordingly.

Associates and joint ventures, profits on disposals and depreciation

DKK m	Q2 2021	Q2 2020	Change, %	Change
EBITDA before special items	897	507	77.0	390
Associates and joint ventures	-2	-2	20.2	0
Profit on disposals	1	2	-52.9	-1
Depreciation and impairment	-502	-459	-9.4	-43
EBIT before special items	394	48	n.a.	346

Financial items

DKK m	Q2 2021	Q2 2020	Change, %	Change
Interests, net	-72	-61	-18.6	-11
Foreign exchange gains/losses, net	-2	-16	85.3	13
Other items, net	-4	-4	-9.2	0
Total finance, net	-78	-80	2.3	2

Earnings per share

Q2 earnings per share (EPS) increased to DKK 5.24 compared to DKK 0.20 in Q2 2020.

For H1, earnings per share (EPS) increased to DKK 8.15 from DKK 1.55 in 2020.

Cash flow and investments

The Q2 cash flow from operating activities was DKK 1.0bn. The conversion ratio was 112% as the cash flow was strengthened by DKK 128m from a decrease in working capital. The Q2 free cash flow (FCFF) was DKK 831m and DKK 604m adjusted for payment of lease liabilities including interest. Net investments in Q2 amounted to a negative cash flow of DKK 164m that included DKK 113m of ferry investments.

The Q2 cash flow from financing activities was negative by DKK 566m. This included a net cash flow from loans of DKK 333m, payment of lease liabilities of DKK 203m and a cash outflow of DKK 75m from purchase of treasury shares to hedge option programs. The Q2 net cash flow was positive by DKK 159m. Cash and cash equivalents thus increased to DKK 1,681m at the end of Q2.

For H1, the cash flow from operating activities was DKK 1.5bn and the free cash flow (FCFF) was DKK 977m and DKK 554m adjusted for payment of lease liabilities including interest. Net investments in H1 amounted to a negative cash flow of DKK 511m. The cash flow from financing activities was negative by DKK 400m bringing the H1 net cash flow to a plus of DKK 420m. Cash

and cash equivalents thus increased to DKK 1,681m at the end of H1.

Invested capital and ROIC

Invested capital was DKK 22.9bn at the end of Q2 2021 which was 1% above the same period in 2020. The average invested capital in Q2 2021 was on level with Q2 2020.

The return on invested capital, ROIC, for Q2 2021 (last twelve months) improved to 5.6% before special items compared to 3.5% for 2020.

Capital structure

At the end of Q2 2021 net-interest-bearing debt (NIBD) was DKK 11.7bn, a decrease of 4% compared to the end of Q2 2020. Financial leverage, as measured by the ratio of NIBD to EBITDA before special items, was a ratio of 3.6 compared to 4.2 at year-end 2020.

Equity

Equity amounted to DKK 11,027m at the end of Q2 2021, including non-controlling interests of DKK 99m. This was an increase of 6% compared to the end of Q2 2020. Total comprehensive income for Q2 2021 was DKK 231m. Transactions with owners in Q2 2021 included purchase of treasury shares for DKK 75m to hedge option programs.

The equity ratio was 39% at the end of Q2 2021 which was on level with Q2 2020.

Outlook 2021

The Group's EBITDA outlook range is unchanged although the outlook for the two divisions has been adjusted.

Key freight outlook assumptions for 2021

The freight market continued to grow across the regions of the route network during Q2 2021. Competing ferry operators have or are planning to add capacity in certain corridors in response to the growth.

In the logistics market, haulage costs are increasing due to a general lack of drivers and equipment, particularly in the UK.

Key outlook assumptions for HSF Logistics Group

The acquisition of HSF Logistics Group is assumed to be consolidated from September 2021 compared to previously from July 2021. The consolidation is now expected to include revenue of around DKK 0.9bn and EBITDA before special items of around DKK 100m. The acquisition is subject to regulatory approval.

Key passenger outlook assumptions for 2021

The EBITDA for passenger services across business units - Passenger, Channel and Baltic Sea - was reduced by around DKK 1bn in 2020 compared to 2019 due to travel restrictions imposed to limit the spread of Covid-19.

The easing of travel restrictions is taking considerably longer than foreseen and it is now assumed that there will be no material pickup in passenger ferry volumes in H2 2021 compared to 2020. It is therefore expected that

passenger earnings in 2021 will remain on level with 2020. It was previously expected that around 25% of the decrease in 2020 would be regained in 2021.

Revenue outlook

The Group's revenue is still expected to increase by 20-25% compared to 2020. The main growth drivers are organic freight growth, addition of HSF Logistics Group and opening of new routes.

EBITDA outlook before special items The outlook for the Group's EBITDA before special items is unchanged a range of DKK 3.2-3.6bn (2020: DKK 2.7bn).

The EBITDA outlook for the Ferry Division has been raised to DKK 2,650-2,950m from previously DKK 2,550-2,850m to reflect freight ferry earnings developing above expectations offsetting passenger earnings developing below expectations.

The EBITDA outlook for the Logistics Division has been reduced to DKK 600-700m from previously DKK 700-800m to reflect a later consolidation of the HSF Logistics Group than expected.

See also the outlook table for the divisional split.

EBIT outlook before special items

The expected range of the Group's EBIT before special items is unchanged DKK 1.2-1.6bn (2020: DKK 858m).

OUTLOOK 2021*

DKK m	Adjusted outlook 2021	Previous outlook 2021	2020
Revenue growth	20-25%	20-25%	13,971
EBITDA before special items	3,200-3,600	3,200-3,600	2,732
Per division:			
Ferry Division	2,650-2,950	2,550-2,850	2,332
Logistics Division*	600-700	700-800	445
Non-allocated items	-50	-50	-45
EBIT before special items	1,200-1,600	1,200-1,600	858
Investments	-2,800	-2,800	-1,618

*Including consolidation of HSF Logistics Group assumed in September 2021.

Investments

Investments of around DKK 2.8bn are expected in 2021 of which DKK 0.9bn is the initial payment for HSF Logistics Group.

Investments in 2021 are expected to comprise:

- Acquisition of HSF Logistics Group: DKK 930m
- Ferry newbuildings: DKK 800m
- Dockings and ferry upgrades: DKK 500m
- Port terminals and other equipment: DKK 200m
- Cargo carrying equipment and warehouses, mainly related to Logistics Division: DKK 250m
- Other investments, including IT and digital: DKK 150m.

Various risks and uncertainties pertain to the outlook.

The most important among these are possible major changes in the demand for ferry – freight and passengers - and logistics services. For DFDS, such demand is to a large extent linked to the level of economic activity in primarily Europe, especially Northern Europe and in particular the UK, as well as adjacent regions, particularly Turkey.

Demand can also be impacted by competitor actions and extraordinary events such as virus outbreaks. Covid-19 continues to constitute a significant risk, particularly for the passenger services.

The outlook can moreover be impacted by political changes, first and foremost within EU and Turkey. The introduction of a new trade agreement between the EU and the UK, that is yet to be fully implemented, and its possible consequences constitutes an important risk.

Changes in economic variables, especially the oil price and exchange rates, can furthermore impact earnings.

Future financial results may therefore differ significantly from expectations.



New Channel ferry deployed 4 August 2021

The ferry newbuilding, Côte d'Opale, has replaced one of the six ferries operated on the Dover Strait by DFDS. Freight capacity for accompanied trailers is increased 78% compared to the replaced ferry. Retail space is more than tripled to support duty-free sales between the UK and the EU.

Ferry Division

The division is organised in five business units:

- North Sea
- Baltic Sea
- Channel
- Mediterranean
- Passenger

Q2 market, activity and result trends

Total Q2 freight volumes increased 32.0% compared to 2020 and increased 5.5% compared to 2019.

Total Q2 passenger volumes decreased 29.3% compared to 2020 and decreased 94.1% compared to 2019.

North Sea

Q2 freight volumes were up 36.0% reflecting a recovery from the lockdowns in 2020 and stabilisation of trade between the EU and the UK following the Brexit transition at the beginning of the year. The UK port terminals were somewhat congested during the quarter mainly due to a shortage of truck drivers in the UK.

Ferry Division

DKK m	2021		2021 H1	2020* H1	2020*				2020-21 LTM	2020* Full year
	Q1	Q2			Q1	Q2	Q3	Q4		
Revenue	2,594	2,960	5,554	4,436	2,628	1,808	2,469	2,540	10,564	9,445
EBITDA before special items	641	765	1,407	917	525	392	730	668	2,805	2,315
Share of profit/loss of associates and joint ventures	-3	-2	-5	-4	-2	-2	-2	0	-7	-5
Profit/loss on disposal of non-current assets, net	1	0	1	0	0	0	1	0	2	1
Depreciation and impairment	-387	-420	-808	-753	-386	-368	-366	-390	-1,563	-1,509
EBIT before special items	251	343	595	160	137	23	363	278	1,236	802
EBIT margin before special items, %	9.7	11.6	10.7	3.6	5.2	1.3	14.7	11.0	11.7	8.5
Special items, net	0	20	20	79	0	79	-72	-105	-157	-98
EBIT	251	364	615	239	137	102	291	173	1,079	703
Invested capital, average	20,299	20,668	20,490	20,197	20,214	20,235	20,275	20,259	20,404	20,222
ROIC before special items, %	-	-	-	-	-	-	-	-	5.8	3.8
Average number of employees	-	-	5,223	5,567	-	-	-	-	5,381	5,452
Lane metres, '000	10,246	11,078	21,324	18,473	10,079	8,394	10,529	11,883	43,736	40,886
Tons, '000	167	147	314	360	194	166	138	166	618	664
Passengers, '000	83	109	192	731	579	152	578	186	959	1,498

* North Sea port logistics activities have been transferred from the Ferry Division to the Logistics Division per 1 January 2021. 2020 comparative figures have been restated accordingly.

Q2 EBITDA increased 50% to DKK 378m with all routes contributing to the increase, including income from a standby capacity agreement.

Baltic Sea

Q2 freight volumes were up 18.8% adjusted for route changes. The growth reflects a recovery from the lockdowns in 2020 and an increase in capacity between Estonia and Sweden where a second ferry was deployed. Activity levels were also higher on the other routes in the network. Passenger volumes were 1.1% below 2020 as lower volumes between Germany and Lithuania offset more passengers between Estonia and Sweden.

Q2 EBITDA decreased 7% to DKK 111m as costs for expanding capacity, including a higher net bunker cost, offset the positive impact of higher freight volumes.

Channel

Q2 freight volumes were 19.9% above 2020 adjusted for the new route between Ireland and France launched on 2 January 2021. The growth reflects a recovery from the lockdowns in 2020. Volumes on the route between Ireland and France remained high, even though capacity was temporarily reduced due to a short-term lack of suitable tonnage in the market.

Q2 passenger volumes were down 49.1% as tight travel restrictions were upheld throughout the quarter. Duty-free sales increased due to higher spend from truck drivers.

Q2 EBITDA increased DKK 72m to DKK 104m driven by the launch of the new Irish route, a standby capacity agreement and the introduction of duty-free sales.

Mediterranean

Q2 freight volumes increased 74.1% adjusted for the opening of a new route between Turkey and Spain. The growth reflects a recovery from the lockdowns in 2020, particularly for automotive volumes, as well as continued growth in the trade between Turkey and Europe.

Q2 EBITDA increased DKK 191m to DKK 257m driven by the higher volumes and cost improvements as well as better results for the port terminal and rail activities.

Passenger

Due to tight travel restrictions in the quarter, the route between Norway and Denmark was suspended throughout the quarter, but reopened on 2 July 2021. Both ferries between the Netherlands and the UK operated in the quarter to support freight volumes. Passenger volumes were not material in either Q2 2021 or Q2 2020.

Q2 EBITDA decreased 19% to DKK -120m mainly due to higher ferry operating costs. Wage costs were reduced but offset by a decrease in compensations from government Covid-19 programs.

Non-allocated items

These items primarily include external charter activities. Q2 EBITDA increased 52% to DKK 36m.

Ferry division

DKK m	2021		2021	2020	2020				2020-21	2020
	Q1	Q2	H1	H1	Q1	Q2	Q3	Q4	LTM	Full year
North Sea*										
Revenue	971	1,117	2,088	1,651	944	707	816	953	3,858	3,420
EBITDA before special items	301	378	679	544	291	252	282	342	1,302	1,168
EBIT before special items	150	229	379	266	145	122	154	190	722	610
Invested capital	6,762	6,811	6,542	5,948	5,931	5,964	5,856	6,054	6,290	5,951
ROIC before special items, %	-	-	-	-	-	-	-	-	11.2	10.1
Lane metres freight, '000	3,358	3,609	6,967	6,006	3,350	2,657	3,264	3,758	13,989	13,028
Tons, '000	167	147	314	360	194	166	138	166	618	664
Baltic Sea										
Revenue	306	361	667	630	323	307	327	310	1,304	1,268
EBITDA before special items	83	111	194	216	97	119	138	80	412	434
EBIT before special items	51	68	120	135	57	78	95	39	253	268
Invested capital	1,525	1,320	1,563	1,545	1,712	1,642	1,646	1,844	1,595	1,625
ROIC before special items, %	-	-	-	-	-	-	-	-	15.7	16.4
Lane metres freight, '000	1,104	1,199	2,303	2,240	1,140	1,100	1,099	1,094	4,497	4,434
Passengers, '000	40	53	94	93	39	54	69	47	209	209
Channel										
Revenue	568	643	1,211	873	512	361	573	566	2,350	2,012
EBITDA before special items	74	104	178	71	39	32	135	129	441	334
EBIT before special items	-16	7	-9	-49	-22	-27	73	67	131	91
Invested capital	1,701	2,250	1,841	1,772	1,811	1,779	1,677	1,573	1,796	1,713
ROIC before special items, %	-	-	-	-	-	-	-	-	7.1	5.2
Lane metres freight, '000	4,531	4,923	9,454	8,343	4,404	3,939	5,016	5,672	20,142	19,031
Passengers, '000	38	50	87	465	367	98	406	119	612	989
Mediterranean										
Revenue	670	743	1,413	912	581	331	529	631	2,572	2,071
EBITDA before special items	248	257	505	213	147	66	188	230	923	631
EBIT before special items	155	154	309	29	55	-26	90	126	525	245
Invested capital	9,558	9,408	9,500	9,867	9,858	9,910	9,798	9,535	9,642	9,787
ROIC before special items, %	-	-	-	-	-	-	-	-	5.3	2.4
Lane metres freight, '000	1,191	1,265	2,456	1,782	1,087	696	1,045	1,206	4,707	4,034
Passenger										
Revenue	31	40	71	237	209	27	190	62	323	489
EBITDA before special items	-100	-120	-220	-188	-87	-101	-42	-143	-405	-373
EBIT before special items	-124	-147	-272	-276	-130	-146	-75	-172	-520	-524
Invested capital	629	731	645	801	871	673	634	575	648	722
ROIC before special items, %	-	-	-	-	-	-	-	-	-81.0	-73.1
Lane metres freight, '000	61	82	143	101	99	2	104	154	401	359
Passengers, '000	5	6	11	175	173	3	104	21	135	300
Non-allocated items										
Revenue	86	102	188	213	102	111	91	132	411	436
EBITDA before special items	36	36	72	63	39	24	28	31	131	122
EBIT before special items	35	33	68	55	32	23	27	29	124	112

The invested capital in the quarter is shown as per the end of the period. For the full year and LTM, the invested capital is shown as an average.

* North Sea port logistics activities have been transferred from the Ferry Division to the Logistics Division per 1 January 2021. 2020 comparison figures are restated accordingly.

Logistics Division

The division is organised in three business units:

- Nordic
- Continent
- UK & Ireland

Q2 market, activity and result trends

Total Q2 logistics volumes increased 24.3% compared to 2020. Net adjustments for structural changes reduced growth to 19.4%.

Nordic

Q2 transported units increased 18.2% adjusted for non-comparable volumes. The growth reflects a recovery from the lockdowns in 2020, particularly for automotive volumes. UK traffics were negatively impacted by shortage of truck drivers and equipment. Both the Finnish and Baltic operations expanded activity in the quarter.

Q2 EBITDA increased DKK 17m to DKK 35m driven by higher activity, especially for warehousing activities in Sweden.

Logistics Division

DKK m	2021		2021	2020*	2020*			2020-21	2020*	
	Q1	Q2	H1	H1	Q1	Q2	Q3	Q4	LTM	Full year
Revenue	1,426	1,554	2,980	2,541	1,394	1,147	1,316	1,444	5,740	5,301
EBITDA before special items	101	126	227	190	95	95	150	123	499	462
Profit/loss on disposal of non-current assets, net	0	1	1	3	2	2	0	0	1	3
Depreciation and impairment	-62	-61	-123	-148	-74	-74	-74	-70	-267	-292
EBIT before special items	39	66	105	45	22	22	76	52	233	173
EBIT margin before special items, %	2.7	4.2	3.5	1.8	1.6	1.9	5.8	3.6	4.1	3.3
Special items, net	0	-19	-19	-4	0	-4	-7	-1	-27	-12
EBIT	39	46	85	40	22	18	69	51	206	161
Invested capital, average	1,469	1,497	1,473	1,712	1,737	1,727	1,584	1,465	1,517	1,613
ROIC before special items, %	-	-	-	-	-	-	-	-	12.5	8.5
Average number of employees	-	-	2,196	2,134	-	-	-	-	2,144	2,112
Units, '000	132	141	274	250	136	114	134	142	549	525

* North Sea port logistics activities have been transferred from the Ferry Division to the Logistics Division per 1 January 2021. 2020 comparative figures have been restated accordingly.

Continent

Q2 transported units increased 26.9% reflecting a recovery in activity from the lockdowns in 2020. All corridors contributed to the growth. Netherlands achieved the highest growth across full- and part-loads as well as special cargo loads. Belgian automotive volumes was negatively impacted by chip shortages which caused imbalances in traffics between Belgium and Scandinavia. UK traffics were negatively impacted by shortage of truck drivers and equipment.

Q2 EBITDA of DKK 41m was on level with 2020 as margins were reduced by equipment and haulage cost increases as well as imbalances between Belgium and Scandinavia.

UK & Ireland

Q2 transported units increased 11.7% adjusted for non-comparable volumes. The growth reflects a recovery from the lockdowns in 2020, particularly for distribution of cold chain volumes to the catering sector from locations in both Scotland and England. Shortage of truck drivers capped growth and increased haulage costs. Customs clearance services were expanded for both food and non-food customers.

Q2 EBITDA increased 41% to DKK 50m driven by the cold chain activities and higher activity in most traffics, including customs clearance services.

Logistics Division

DKK m	2021		2021 H1	2020 H1	2020				2020-21 LTM	2020 Full year
	Q1	Q2			Q1	Q2	Q3	Q4		
Nordic*										
Revenue	444	503	948	819	453	366	387	453	1,788	1,659
EBITDA before special items	31	35	67	50	32	18	40	41	147	131
EBIT before special items	13	16	29	10	12	-2	19	22	69	50
Invested capital	388	407	392	414	465	409	372	379	391	399
ROIC before special items, %	-	-	-	-	-	-	-	-	15.9	10.4
Units, '000 **	29.8	32.9	62.6	50.8	27.7	23.1	26.7	31.4	120.7	108.9
Continent*										
Revenue	644	685	1,329	1,157	633	523	605	661	2,595	2,423
EBITDA before special items	31	41	71	69	28	41	55	41	168	166
EBIT before special items	6	18	24	11	-2	13	30	15	68	55
Invested capital	580	514	560	780	799	710	625	588	603	711
ROIC before special items, %	-	-	-	-	-	-	-	-	8.6	6.1
Units, '000	57.5	60.9	118.4	106.5	58.4	48.0	56.5	61.6	236.5	224.5
UK & Ireland*										
Revenue	443	478	921	760	403	357	421	430	1,772	1,611
EBITDA before special items	39	50	89	70	34	36	55	41	184	165
EBIT before special items	20	31	51	24	12	11	28	16	95	67
Invested capital	545	561	521	518	527	544	507	458	523	504
ROIC before special items, %	-	-	-	-	-	-	-	-	14.4	10.6
Units, '000	45.2	47.6	92.8	92.5	49.9	42.6	50.3	49.0	192.1	191.8
Non-allocated items										
Revenue	35	36	72	54	27	26	20	15	107	89
EBITDA before special items	0	0	0	0	0	0	0	0	0	0
EBIT before special items	1	0	1	0	0	0	-0	0	1	0

* North Sea port logistics activities have been transferred from the Ferry Division to the Logistics Division per 1 January 2021. 2020 comparative figures have been restated accordingly.

** Excluding volumes related to automotive Logistics contract.

The invested capital in the quarter is shown as per the end of the period. For the full year and LTM, the invested capital is shown as an average.

Management statement

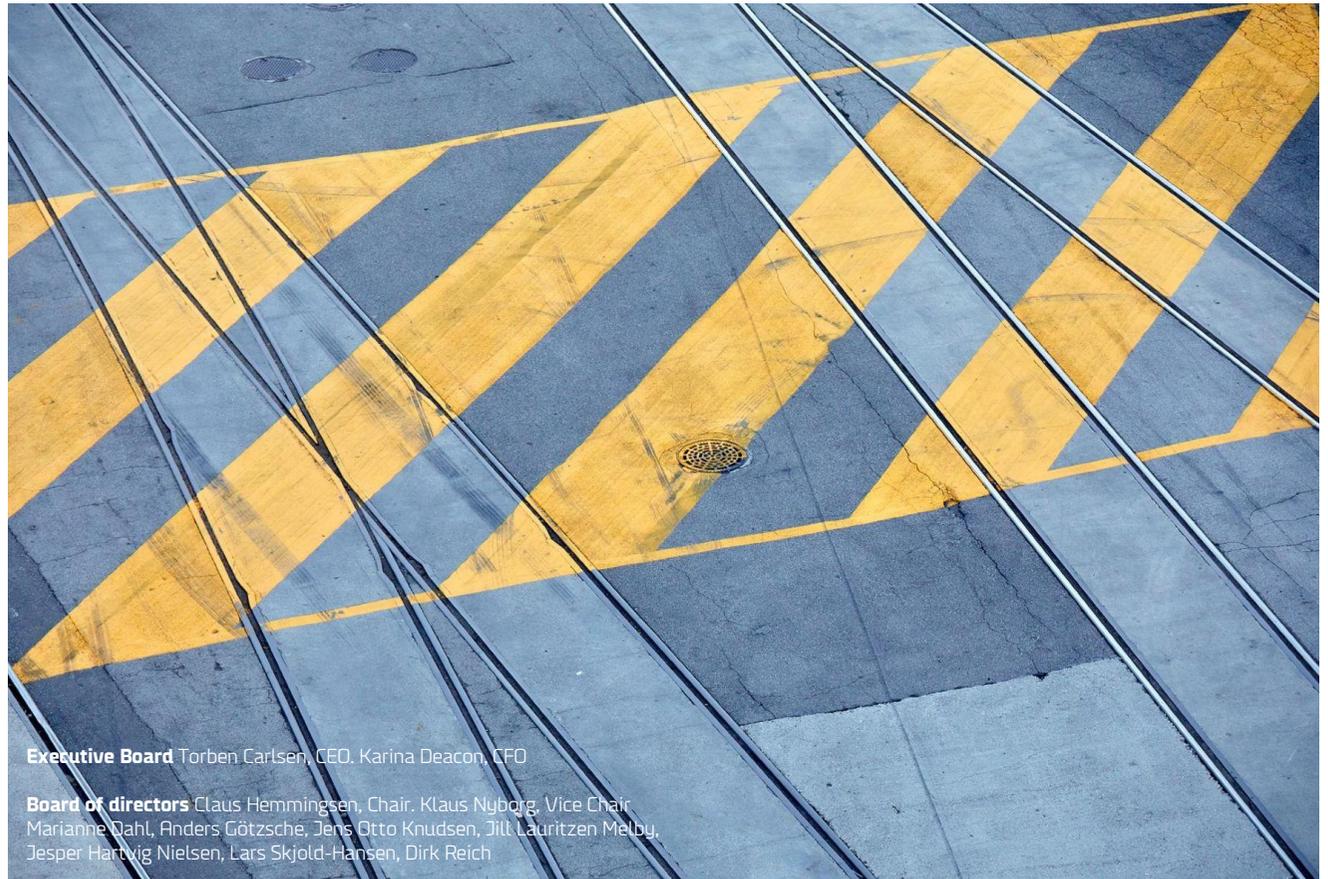
The Board of Directors and the Executive Board have reviewed and approved the interim report of DFDS A/S for the period 1 January – 30 June 2021.

The interim report, which has not been audited or reviewed by the Company's auditor, has been prepared in accordance with IAS 34, "Interim Financial Reporting", as adopted by the EU, and additional Danish interim reporting requirements for listed companies.

In our opinion, the interim report gives a true and fair view of the DFDS Group's assets, liabilities and financial position at 30 June 2021 and of the results of the DFDS Group's operations and cash flow for the period 1 January – 30 June 2021.

Further, in our opinion, the Management review p. 2-17 gives a true and fair review of the development in the Group's operations and financial matters, the result of the DFDS Group's operations for the period and the financial position as a whole.

Copenhagen, 17 August 2021



Executive Board Torben Carlsen, CEO. Karina Deacon, CFO

Board of directors Claus Hemmingsen, Chair. Klaus Nyborg, Vice Chair
Marianne Dahl, Anders Götzsche, Jens Otto Knudsen, Jilt Lauritzen Melby,
Jesper Hartvig Nielsen, Lars Skjold-Hansen, Dirk Reich

DFDS Group Income statement

DKK m	Note	2021 Q2	2020 Q2	2021 H1	2020 H1	2020-21 LTM	2020 Full year
Revenue	3	4,213	2,798	7,981	6,612	15,340	13,971
Costs							
Ferry and other ship operation and maintenance		-845	-442	-1,544	-1,293	-2,820	-2,569
Freight handling		-675	-488	-1,249	-1,122	-2,510	-2,383
Transport solutions		-856	-602	-1,710	-1,379	-3,236	-2,905
Employee costs		-789	-657	-1,535	-1,438	-2,960	-2,862
Costs of sales and administration		-152	-103	-295	-263	-552	-520
Operating profit before depreciation (EBITDA) and special items		897	507	1,647	1,117	3,263	2,732
Share of profit/loss of associates and joint ventures		-2	-2	-6	-4	-7	-5
Profit/loss on disposal of non-current assets, net		1	2	2	3	3	5
Depreciation, ferries and other ships		-330	-285	-630	-584	-1,199	-1,153
Depreciation, other non-current assets		-172	-173	-341	-352	-710	-721
Impairment losses, other non-current assets		0	0	0	0	0	0
Operating profit (EBIT) before special items		394	48	672	181	1,349	858
Special items, net	4	12	43	2	42	-157	-117
Operating profit (EBIT)		406	91	674	222	1,192	741
Financial income		0	3	2	17	4	5
Financial costs		-79	-83	-157	-132	-318	-280
Profit before tax		328	11	519	107	878	466
Tax on profit		-21	-3	-41	-18	-47	-24
Profit for the period		306	8	479	89	831	442
Attributable to:							
Equity holders of DFDS A/S		301	11	468	89	812	433
Non-controlling interests		6	-3	10	1	19	9
Profit for the period		306	8	479	89	831	442
Earnings per share							
Basic earnings per share (EPS) of DKK 20, DKK		5.24	0.20	8.15	1.55	14.16	7.56
Diluted earnings per share (EPS-D) of DKK 20, DKK		5.24	0.20	8.14	1.55	14.16	7.56

DFDS Group – statement of Comprehensive income

DKK m	2021 Q2	2020 Q2	2021 H1	2020 H1	2020-21 LTM	2020 Full year
Profit for the period	306	8	479	89	831	442
Other comprehensive income						
Items that will not be reclassified subsequently to the Income statement:						
Remeasurement of defined benefit pension obligations	0	1	0	-30	-29	-59
Items that will not be reclassified subsequently to the Income statement	0	1	0	-30	-29	-59
Items that are or may be reclassified subsequently to the Income statement:						
Value adjustment of hedging instruments:						
Value adjustment for the period	4	-32	5	74	-173	-103
Value adjustment transferred to operating costs	-13	5	-21	5	-21	6
Value adjustment transferred to financial costs	-10	4	-6	8	2	17
Value adjustment transferred to non-current tangible assets	-65	-11	-31	-41	-27	-38
Tax on items that may be reclassified to the Income statement	-1	-1	-1	6	3	9
Foreign exchange adjustments, subsidiaries	10	37	26	-99	87	-37
Items that are or may be reclassified subsequently to the Income statement	-75	1	-29	-47	-129	-147
Total other comprehensive income after tax	-75	2	-29	-77	-158	-206
Total comprehensive income	231	10	450	13	673	236
Attributable to:						
Equity holders of DFDS A/S	226	13	440	12	654	227
Non-controlling interests	6	-3	10	0	19	9
Total comprehensive income	231	10	450	13	673	236

DFDS Group - Balance sheet

Assets

DKK m	2021 H1	2020 H1	2020 Full year
Goodwill	3,438	3,435	3,434
Other non-current intangible assets	1,151	1,206	1,174
Software	233	242	239
Development projects in progress	68	39	55
Non-current intangible assets	4,889	4,922	4,901
Land and buildings	187	194	183
Terminals	726	739	720
Ferries and other ships	11,723	11,270	11,220
Equipment, etc.	673	755	723
Assets under construction and prepayments	698	811	887
Right-of-use assets	3,670	3,369	3,133
Non-current tangible assets	17,678	17,138	16,867
Investments in associates, joint ventures, and securities	43	49	49
Receivables	16	17	17
Prepaid costs	282	392	337
Deferred tax	54	51	57
Derivative financial instruments	8	228	76
Other non-current assets	404	737	536
Non-current assets	22,972	22,797	22,304
Inventories	216	162	169
Trade receivables	2,571	1,812	2,014
Receivables from associates and joint ventures	24	47	28
Other receivables	559	637	589
Prepaid costs	343	310	309
Derivative financial instruments	113	120	149
Cash	1,681	598	1,261
Current assets	5,507	3,687	4,520
Assets classified as held for sale	37	152	182
Total current assets	5,544	3,838	4,702
Assets	28,515	26,635	27,006

Equity and liabilities

DKK m	2021 H1	2020 H1	2020 Full year
Share capital	1,173	1,173	1,173
Reserves	-301	-170	-273
Retained earnings	10,056	9,292	9,611
Proposed dividends	0	0	0
Equity attributable to equity holders of DFDS A/S	10,928	10,295	10,511
Non-controlling interests	99	80	89
Equity	11,027	10,375	10,600
Interest-bearing liabilities	9,300	9,155	9,313
Lease liabilities	2,892	2,572	2,407
Deferred tax	214	210	217
Pension and jubilee liabilities	196	174	197
Other provisions	44	47	46
Other payables	0	37	0
Derivative financial instruments	106	194	149
Non-current liabilities	12,752	12,390	12,329
Interest-bearing liabilities	439	479	415
Lease liabilities	665	528	519
Trade payables	2,646	1,727	2,090
Payables to associates and joint ventures	51	95	51
Other provisions	66	94	78
Corporation tax	54	48	61
Other payables	641	709	674
Derivative financial instruments	3	7	52
Prepayments	171	183	136
Current liabilities	4,737	3,871	4,077
Liabilities	17,488	16,260	16,406
Equity and liabilities	28,515	26,635	27,006

DFDS Group - Statement of changes in equity 1 January - 30 June 2021

DKK m	Reserves						Equity attributable to equity holders of DFDS A/S	Non-controlling interests	Total
	Share capital	Translation reserve	Hedging Reserve	Treasury shares	Retained earnings	Proposed dividends			
Equity at 1 January 2021	1,173	-394	147	-25	9,611	0	10,511	89	10,600
Comprehensive income for the period									
Profit for the period					468		468	10	479
Other comprehensive income									
Items that are or may be reclassified subsequently to the Income statement:									
Value adjustment of hedging instruments for the period			5				5		5
Value adjustment transferred to operating costs			-21				-21		-21
Value adjustment transferred to financial costs			-6				-6		-6
Value adjustment transferred to non-current tangible assets			-31				-31		-31
Tax on items that will be reclassified to the Income statement					-1		-1		-1
Foreign exchange adjustments, subsidiaries		26					26	0	26
Items that are or may subsequently be reclassified to the Income statement	0	26	-54	0	-1	0	-28	0	-29
Total other comprehensive income after tax	0	26	-54	0	-1	0	-28	0	-29
Total comprehensive income	0	26	-54	0	468	0	440	10	450
Transactions with owners									
Vested share-based payments					4		4		4
Purchase of treasury shares				-4	-71		-75		-75
Cash from sale of treasury shares related to exercise of share options				4	44		48		48
Transactions with owners	0	0	0	0	-23	0	-23	0	-23
Equity at 30 June 2021	1,173	-368	93	-25	10,056	0	10,928	99	11,027

DFDS Group - Statement of changes in equity 1 January - 30 June 2020

DKK m	Reserves						Equity attributable to equity holders of DFDS A/S	Non-controlling interests	Total
	Share capital	Translation reserve	Hedging Reserve	Treasury shares	Retained earnings	Proposed dividends			
Equity at 1 January 2020	1,173	-357	266	-28	8,988	235	10,276	80	10,356
Comprehensive income for the period									
Profit for the period					89		89	1	89
Other comprehensive income									
Items that will not subsequently be reclassified to the income statement:									
Remeasurement of defined benefit pension obligations					-30		-30		-30
Items that will not subsequently be reclassified to the Income statement	0	0	0	0	-30	0	-30	0	-30
Items that are or may be reclassified subsequently to the Income statement:									
Value adjustment of hedging instruments for the period			74				74		74
Value adjustment transferred to operating costs			5				5		5
Value adjustment transferred to financial costs			8				8		8
Value adjustment transferred to non-current tangible assets			-41				-41		-41
Tax on items that will be reclassified to the Income statement			0		6		6		6
Foreign exchange adjustments, subsidiaries		-99					-99	0	-99
Items that are or may subsequently be reclassified to the Income statement	0	-99	46	0	6	0	-46	0	-47
Total other comprehensive income after tax	0	-99	46	0	-24	0	-77	0	-77
Total comprehensive income	0	-99	46	0	65	0	12	0	13
Transactions with owners									
Cancellation of proposed dividend at year-end 2019*					235	-235	0		0
Vested share-based payments					5		5		5
Cash from sale of treasury shares related to exercise of share options				2	-2		1		1
Transactions with owners	0	0	0	2	239	-235	6	0	6
Equity at 30 June 2020	1,173	-456	312	-26	9,292	0	10,295	80	10,375

* Reference is made to separate announcement from 18 March 2020 where the Board of Directors, due to the current financial environment, has decided not to propose the payment of a dividend at the Annual General Meeting

DFDS Group – Statement of cash flows

DKK m	2021 Q2	2020 Q2	2021 H1	2020 H1	2020-21 LTM	2020 Full year
Operating profit before depreciation (EBITDA) and special items	897	507	1,647	1,117	3,263	2,732
Cash flow effect from special items related to operating activities	-23	-4	-35	-61	-100	-125
Adjustments for non-cash operating items, etc.	9	8	14	11	48	45
Change in working capital	128	101	-72	-15	91	148
Payment of pension liabilities and other provisions	-9	-8	-16	-16	-31	-31
Cash flow from operating activities, gross	1,001	604	1,539	1,037	3,271	2,769
Interest received, etc.	3	21	4	8	4	3
Interest paid, etc.	-109	-75	-161	-129	-314	-276
Taxes paid	-6	7	-52	7	-56	3
Cash flow from operating activities, net	889	557	1,330	924	2,906	2,499
Investments in ships including dockings, rebuildings, and ships under construction (incl. settlement of forward exchange contracts) related thereto*	-113	-290	-408	-836	-994	-1,422
Sale of ferries	0	202	0	202	0	202
Investments in other non-current tangible assets	-41	-74	-85	-136	-144	-195
Sale of other non-current tangible assets	3	8	7	17	17	27
Investments in non-current intangible assets	-14	-19	-28	-36	-61	-70
Acquisition of enterprises, associates, joint ventures, and activities	0	0	0	-14	0	-14
Other investing cash flows	0	-166	4	-165	23	-146
Cash flow to/from investing activities, net	-164	-338	-511	-969	-1,159	-1,618
Cash flow before financing activities, net	725	218	819	-45	1,746	882
Proceed from bank loans and loans secured by mortgage in ships	0	601	364	1,448	909	1,992
Repayment and instalments of bank loans and loans secured by mortgage in ships	-333	-347	-398	-1,325	-864	-1,791
Payment of lease liabilities	-203	-153	-383	-318	-666	-602
Settlement of forward exchange contracts related to leases	44	0	44	0	44	0
Proceeds from sale of treasury shares	0	0	0	0	2	2
Acquisition of treasury shares	-75	0	-75	0	-75	0
Cash received from exercise of share options	0	0	48	1	48	1
Other financing cash flows	0	0	0	0	-60	-60
Cash flow to/from financing activities, net	-566	101	-400	-194	-663	-458
Net increase (decrease) in cash and cash equivalents	159	319	420	-240	1,084	424
Cash and cash equivalents at beginning of period	1,522	280	1,261	840	598	840
Foreign exchange and value adjustments of cash and cash equivalents	0	0	0	-2	0	-2
Cash and cash equivalents at end of period **	1,681	598	1,681	598	1,681	1,261

* The Q2 2021 cash flow includes an amount of DKK 19m related to a net settlement of a vessel swap where DFDS buys a vessel of DKK 332m, sells a vessel of DKK 165m, and settles a loan receivable of DKK 149m.

** At 30 June 2021 DKK 167m (30 June 2020: DKK 147m) of the cash was deposited on restricted bank accounts.

Note 1 Accounting policies and significant estimates

Basis of reporting

This section provides an overview of the Groups principal accounting policies as well as new and amended IFRS standards and interpretations.

Accounting policies

This interim report has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies. The interim report has been prepared using the same accounting policies, judgements and estimates as for the annual report for 2020 except as described below.

Implementation of new or changed accounting standards and interpretations

DFDS has adopted all new, amended, or revised accounting standards and interpretations (IFRSs) endorsed by the EU effective for the accounting period beginning on 1 January 2021 none of which has had material impact on the Group's Financial Statements.

Significant estimates

In the view of Management, the areas where accounting estimates and assessments are significant remain the same as per DFDS' latest annual report. However, considering Covid-19 certain significant estimates have been revisited in Q2 2021 compared to year-end 2020, particularly related to passenger traffic which is still impacted by travel restrictions.

In the preparation of the Interim Report, Management undertakes several accounting estimates and assessments and makes assumptions which provide the basis for recognition and measurement of the assets, liabilities, revenues and expenses of the Group and the Parent Company. These estimates, assessments and assumptions are based on historical experience and other factors which Management considers reasonable under the circumstances, but which by their nature are uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unanticipated events or circumstances may occur, for which reason the actual results may deviate from the applied estimates, assessments, and assumptions.

Impairment considerations due to Covid-19

Impairment testing is undertaken once a year unless indications of impairment occur. The consequences of Covid-19 are still considered such an indication and consequently, DFDS has in Q2 2021 revisited its impairment calculations from year-end 2020.

The Covid-19 situation is still an impairment indicator, particularly for passengers traffic and it is still reasonable to assume that the situation from a long-term perspective is temporary. DFDS' main assets have a long lifetime and the impairment tests at year-end 2020 showed significant headroom for all other CGU's than the Oslo-Frederikshavn-Copenhagen route. In Q2 2021 Management has revisited forecasts for all CGUs and concludes that the assumptions applied at year-end 2020 remains valid.

Receivables

The practice for recognising expected credit losses etc. remains the same as at year-end 2020.

Other areas

DFDS has taken part in various government compensation schemes following Covid-19. Wage compensation is reducing the staff costs in the Income statement and contributions from voluntary salary reduction are deducted in wages, salaries, and remuneration.

Note 2 Segment Information

DKK m	Ferry Division	Logistics Division	Non- allocated	Total
H1 2021				
External revenue	5,042	2,930	9	7,981
Intragroup revenue	512	51	264	827
Total revenue	5,554	2,980	273	8,807
Operating profit (EBITDA) before special items	1,407	227	14	1,647
Operating profit (EBIT) before special items	595	105	-27	672
Operating profit after special items (EBIT)	615	85	-26	674
Invested capital, average	20,490	1,473	523	22,486

DKK m	Ferry Division*	Logistics Division*	Non- allocated	Total
H1 2020				
External revenue	4,066	2,525	21	6,612
Intragroup revenue	371	17	273	660
Total revenue	4,436	2,541	295	7,272
Operating profit (EBITDA) before special items	917	190	10	1,117
Operating profit (EBIT) before special items	160	45	-24	181
Operating profit after special items (EBIT)	239	40	-57	222
Invested capital, average	20,197	1,712	746	22,656

* North Sea port logistics activities have been transferred from the Ferry Division to the Logistics Division per 1 January 2021. 2020 comparative figures have been restated accordingly.

Note 3 Revenue

DKK m	H1 2021			Total
	Ferry Division	Logistics Division	Non-allocated	
Geographical markets				
North Sea	1,790	-	0	1,790
Baltic Sea	646	-	0	646
English Channel	1,203	-	0	1,203
Mediterranean	1,404	-	0	1,404
Continent	-	1,272	0	1,272
Nordic	-	877	0	877
UK/Ireland	-	780	0	780
Other	0	0	9	9
Total	5,042	2,930	9	7,981
Product and services				
Seafreight and shipping logistics solutions	4,121	70	0	4,192
Transport solutions	10	2,829	0	2,839
Passenger seafare and on board sales	237	0	0	237
Terminal services	433	3	0	436
Charters	152	0	0	152
Agency and other revenue	89	27	9	125
Total	5,042	2,930	9	7,981

All material revenue is recognised when each separate obligation in the customer contract is fulfilled following the “over-time principle”. Most transports carried out by the Ferry Division are characterised by short delivery time (most sailings are less than 30 hours while sailings to/from Turkey are up to 72 hours). Transports carried out by Logistics Division can take delivery over a longer period, but the impact is insignificant.

On board sales is recognised according to the “a point in time” principle and amount to DKK 104m (H1 2020: DKK 154m).

Revenue includes revenue recognised from contracts with customers in accordance with IFRS 15 and other revenue (leasing activities). Revenue from leasing activities amounts to DKK 152m (H1 2020: DKK 167m).

DKK m	H1 2020			Total
	Ferry Division	Logistics Division	Non-allocated	
Geographical markets				
North sea*	1,714	-	0	1,714
Baltic sea	599	-	0	599
English Channel	849	-	0	849
Mediterranean	904	-	0	904
Continent*	-	1,102	0	1,102
Nordic*	-	754	0	754
UK/Ireland*	-	669	0	669
Other	0	0	21	21
Total	4,066	2,525	21	6,612
Product and services				
Seafreight and shipping logistics solutions	3,153	0	0	3,153
Transport solutions*	2	2,402	0	2,404
Passenger seafare and on board sales	416	0	0	416
Terminal services*	244	58	0	303
Charters	167	0	0	167
Agency and other revenue*	84	64	21	169
Total	4,066	2,525	21	6,612

* North Sea port logistics activities have been transferred from the Ferry Division to the Logistics Division per 1 January 2021. 2020 comparative figures have been restated accordingly.

Note 4 Special items

DKK m	2021 H1	2020 H1
Acquisition and integration planning costs relating to HSF Logistics Group	-20	0
Accounting gain on sale of Liverpool Seaways	-	110
Accounting gain on sale of Gothia Seaways	20	-
Accrual of the total estimated costs (estimated fair value) related to the DFDS shares awarded to DFDS employees as a special one-off award in connection with DFDS' 150 years anniversary in December 2016. The costs accrue from December 2016 to February 2020	-	-2
Termination cost in connection with restructuring	-	-67
Reversal of accrued cost related to anniversary shares	2	0
Special items, net	2	42

Note 5 Acquisition of enterprises and sale of activities

2021

On 26 January 2021, DFDS entered into an agreement to acquire HSF Logistics Group for a debt-free price of DKK 2.2bn (EUR 296m). Closing of the transaction is still subject to regulatory approval assumed to be received in September 2021 compared to previously July 2021.

2020

There has been no significant acquisitions nor disposals in 2020.

Note 6 Fair value measurement of financial instruments

The table discloses fair value and carrying amount of financial instruments measured at fair value in the balance sheet. Furthermore, categorisation of the valuation method according to the fair value hierarchy is stated.

Transfers between levels of the fair value hierarchy are considered to have occurred at the date of the event or change in circumstances that caused the transfer.

There were no transfers between the levels in the fair value hierarchy in H1 2021.

Techniques for calculating fair values

Derivatives

DFDS' usage of derivatives includes interest rate swaps, bunker swaps, forward exchange contracts and currency swaps. The fair values on interest rate swaps have been calculated by discounting the expected future interest payments. The discount rate for each interest payment is estimated on the basis of a swap interest curve, which is calculated based on a wide spread of market interest rates. The fair value on forward exchange contracts are based on interest curve calculations in DFDS' Treasury system. Calculations are based on a spread of market interest rates in the various currencies. Calculation on bunker swaps are based on quoted forward curve from various financial institutions.

DKK m	H1 2021		H1 2020	
	Fair value	Carrying amount	Fair value	Carrying amount
Financial assets				
Derivatives (Level 2)	121	121	347	347
Securities (Level 3)	10	10	10	10
Financial liabilities				
Derivatives (Level 2)	109	109	201	201

Note 7 Supplementary financial information on the Parent Company

As a result of DFDS A/S' issuance of corporate bonds on Oslo Stock Exchange there is a requirement to provide certain supplementary financial information on the Parent Company. The following financial information has been prepared using the same accounting policies as for the Annual Report for 2020.

The Parent Company's revenue increased by DKK 367m, equivalent to 10%. Operating profit before depreciation and special items (EBITDA) increased to DKK 912m from DKK 773m, equivalent to an increase of 18%.

Profit before tax increased from DKK 139m in H1 2020 to DKK 238m in H1 2021.

The Parent Company's net interest-bearing debt decreased from DKK 4,355m at 30 June 2020 to DKK 4,134m at 30 June 2021.

DKK m	2021 H1	2020 H1	2020-21 LTM	2020 Full year
Income statement				
Revenue	3,879	3,512	7,752	7,385
Operating profit before depreciation (EBITDA) and special items	912	773	1,897	1,758
Operating profit (EBIT) before special items	61	-59	225	104
Special items, net	-20	-38	-154	-172
Operating profit (EBIT)	42	-97	71	-68
Financial items, net	196	236	163	203
Profit before tax	238	139	234	135
Profit for the period	242	139	244	140
Assets				
Non-current intangible assets	409	387		400
Non-current tangible assets	5,588	5,228		5,458
Right-of-use assets	845	1,233		1,404
Investments in affiliated companies, associates and joint ventures	6,767	6,624		6,760
Non-current receivables from affiliated companies	53	271		261
Other non-current assets	41	261		110
Non-current assets	13,702	14,004		14,393
Current receivables from affiliated companies	696	1,214		699
Receivables from associates and joint ventures	23	46		27
Cash	1,258	244		735
Other current assets	1,468	1,358		1,381
Current assets	3,445	2,862		2,842
Assets	17,147	16,866		17,236
Equity and liabilities				
Equity	9,550	9,505		9,382
Non-current liabilities	3,091	3,046		3,093
Current liabilities to affiliated companies	2,020	2,073		2,139
Other current liabilities	2,486	2,242		2,622
Current liabilities	4,506	4,315		4,762
Equity and liabilities	17,147	16,866		17,236
Equity ratio, %	55.7%	56.4%		54.4%
Net interest-bearing debt	4,134	4,355		4,718

Definitions

Operating profit before depreciation (EBITDA)	Profit before depreciation and impairment on non-current assets
Operating profit (EBIT)	Profit after depreciation and impairment on non-current intangible and tangible assets
Operating margin	$\frac{\text{Operating profit (EBIT) before special items}}{\text{Revenue}} \times 100$
Net operating profit after taxes (NOPAT)	Operating profit (EBIT) minus payable tax for the period adjusted for the tax effect of net finance cost
Invested capital	Net working capital (non-interest bearing current assets minus non-interest bearing current liabilities) plus non-current intangible and tangible assets minus pension and jubilee liabilities and other provisions
Net Interest-bearing debt	Interest-bearing liabilities (excluding provision for pensions) minus interest-bearing assets minus cash and securities
LTM	Last twelve months
Return on invested capital (ROIC)	$\frac{\text{Net operating profit after taxes (NOPAT)}}{\text{Average invested capital}} \times 100$
Adjusted free cash flow (FCFF)	Cash flow from operating activities excluding net interest received and paid minus cash flow from net investments and payment of lease liabilities and interest
Return on equity	$\frac{\text{Profit for the period excluding non-controlling interests}}{\text{Average equity excluding non-controlling interests}} \times 100$
Equity ratio	$\frac{\text{Equity at end of period}}{\text{Total assets}} \times 100$
Earnings per share (EPS)	$\frac{\text{Profit for the period excluding non-controlling interests}}{\text{Weighted average number of ordinary shares in circulation}} \times 100$
P/E ratio	$\frac{\text{Share price at the end of the period}}{\text{Earnings per share (EPS)}} \times 100$
Dividend per share	$\frac{\text{Dividend for the year}}{\text{Number of shares at the end of the period}} \times 100$
Market value	Number of shares, ex. treasury shares, end of period times share price end of period
No. of ships	Owned and chartered ships, including slot charter and vessel sharing agreements
Unit	Logistics Division transported units are defined as a trailer or container regardless of whether the unit carries a full load or part loads. Logistics Division also reports revenue from activities not reporting units, e.g. warehousing activities, managed contracts, workshops, customs clearance and other fees

ESG definitions

Operated ships	Number of ships, owned and chartered, deployed in own route network with fuel consumption included in own CO2 reporting
Total number of days operated	Total number of deployment days for operated ships
CO2 emissions per GT nautical mile	Emissions measured as gCO2 per gross tonnage nautical mile for operated ships
Total marine fuel consumption	Total consumption of heavy fuel oil (HFO) and marine gas oil (MGO) for operated ships
Fuel consumption per nautical mile	Total consumption of heavy fuel oil (HFO) and marine gas oil (MGO) per nautical mile for operated ships
Fuel consumption per GT nautical mile	gCO2 per gross tonnage-nautical mile
Spills (>1 barrel)	Incidents of oil spills larger than one barrel into the sea from operated ships
Number of employees	Average fulltime equivalent number of employees
Total workforce gender ratio	Percentage of women in FTE workforce
Senior management gender ratio	Percentage of women of total number of senior management positions defined as EVPs and VPs
Manager gender ratio	Percentage of women of total number of management positions, excluding senior management, defined as positions with responsibility for at least one other employee
Employee gender ratio	Percentage of women of number of employees, excluding senior management and managers
At sea	Percentage of women of number of employees at sea
On land	Percentage of women of number of employees on land
Lost time injury frequency (LTIF), sea	Number of registered work-related accidents disabling a seafarer to work for more than 24 hours per one million exposure hours
Lost time injury frequency (LTIF), land	Number of registered work-related accidents disabling a land-based employee work for more than 24 hours per one million exposure hours
Colleagues	Number of fatalities among employees caused by work-related accidents
Contractors	Number of fatalities among third-party contractors caused by work-related accidents while operating for DFDS
Representation of women on Board of Directors	Percentage of women of the total number of members of the Board of Directors, excluding staff appointed members
Attendance at Board meetings, %	Percentage of total number of Board meetings attended

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Disclaimer

The statements about the future in this announcement contain risks and uncertainties and actual developments may therefore diverge significantly from the statements about the future.

About DFDS

DFDS provides ferry and transport services in and around Europe, generating annual revenues of DKK 17bn.

To over 10,000 freight customers, we deliver high performance and superior reliability through ferry & port terminal services and transport & logistics solutions.

For more than five million passengers, we provide safe overnight and short sea ferry services.

Our 8,000 employees are located on ferries, terminals and in offices across 20 countries. DFDS was founded in 1866, is headquartered in Copenhagen, and listed on NASDAQ Copenhagen.