

Annual Review 2021

*We target a female gender ratio of 30%.
Our new colleague from HSF is one of our
many talented women.*



We provide

Logistics solutions

Freight forwarding and contract logistics



Ferry services

Freight and passenger routes plus port & rail services

We keep Europe and Turkey moving by sea, road and rail



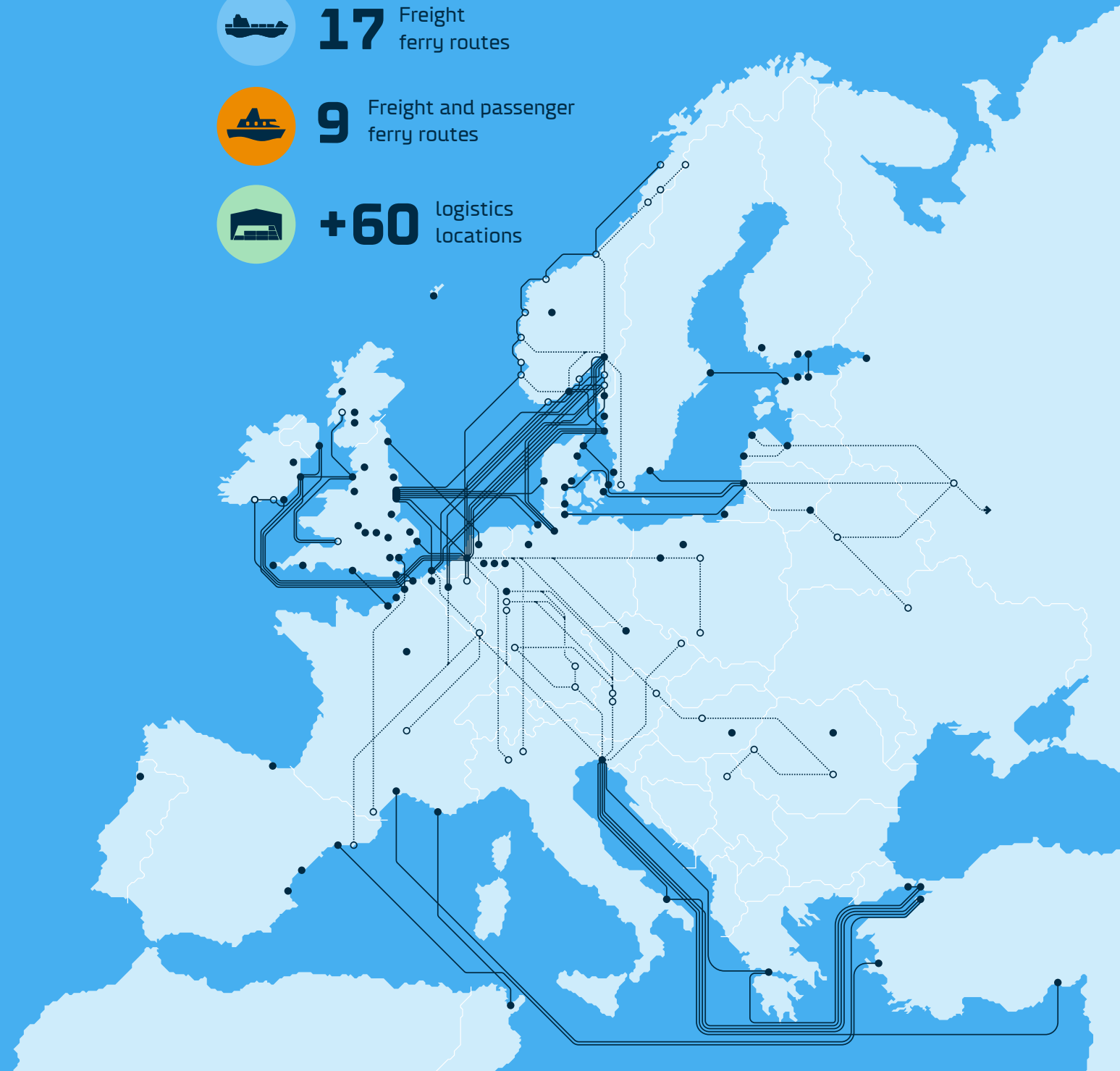
17 Freight ferry routes



9 Freight and passenger ferry routes



+60 logistics locations



Our purpose

Sustainable trade and travel is our future



By moving freight and passengers reliably and efficiently, we provide vital services for trade and travel in and around Europe



We move for all to grow



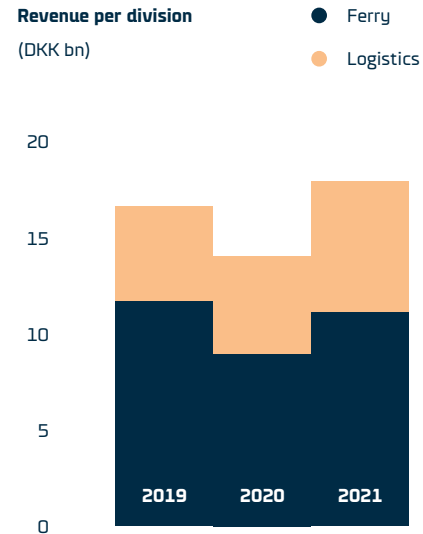
We grow by partnering and innovating with our customers



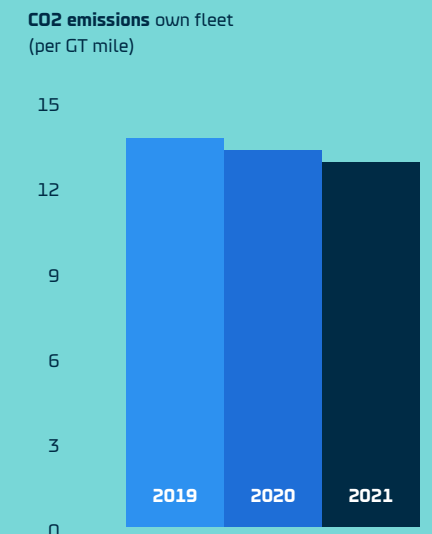
We care about people – the safety and wellbeing of our passengers and colleagues as well as a culture of diversity and inclusion

Key results 2021

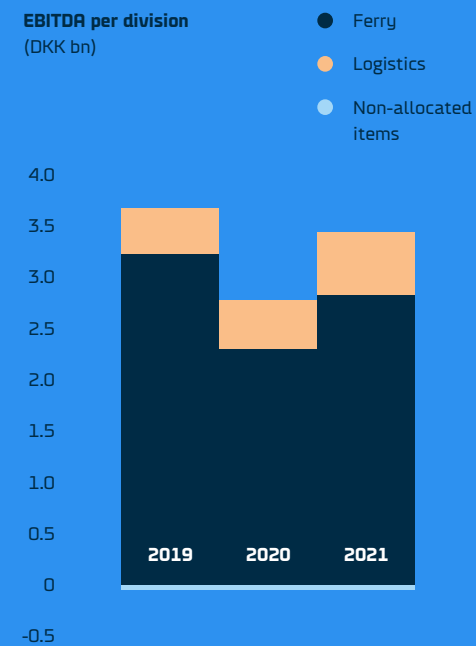
Revenue per division (DKK bn)



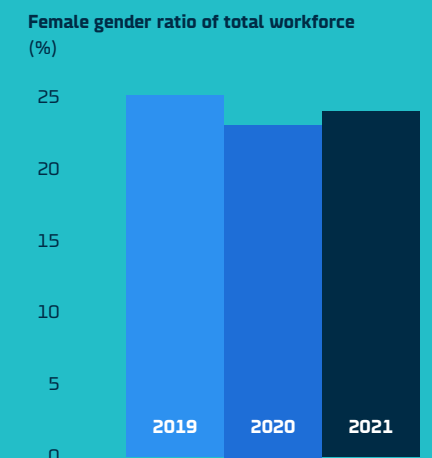
CO2 emissions own fleet (per GT mile)



EBITDA per division (DKK bn)



Female gender ratio of total workforce (%)





Torben Carlsen
President & CEO



Claus V. Hemmingsen
Chair of Board of Directors

Joint letter from the Chair and CEO

Setting a new course

While continuing to provide reliable and efficient services to customers

A new era is in the making as the climate changes and social elements of the ESG (Environment Social Governance) agenda move corporate citizenship to the top of our strategic agenda as an integral part of our business strategy.

How we contribute to society and to the collective good has become a focus point in our actions and in our dialogue with stakeholders.

The EU's taxonomy for sustainable activities marks a clear political signal to invest money and efforts in becoming a green company. Customers are looking for ways to make supply chains and passenger travel sustainable. Many investors now focus on ESG 1 results as much as on financial results, and young generations want to work for companies with green and inclusive agendas.

We welcome this new reality, while acknowledging the magnitude of the transformation DFDS is embarking on to become a truly green and inclusive company.

Reinvention and new solutions are called for

A freight ferry loaded with goods weighs around 80,000 tons. No batteries are today durable enough to move such a ferry across the North Sea. Sustainable fuels such as methanol, hydrogen, or ammonia can do the job but first the supporting infrastructure, which we today take for granted, must be transformed. This will inevitably take many years.

The good thing is that the roadmap to sustainability is becoming clearer. It is also clear that we must partner with suppliers and customers to reinvent business processes and develop new ways of working together.

The good thing is that the roadmap to sustainability is becoming clearer.

One of the tasks in the roadmap is the production of sustainable fuels in the quantities required to facilitate trade and passenger travel. Sustainable fuel technologies still need to mature, and buyers of sustainable fuels, such as DFDS, have yet to make final decisions on fuel types. To do our part to kick-start the sustainable fuel sector, we are taking an active role and are partnering up with potential fuel providers. This will include making firm commitments to buy sustainable fuel when it becomes available. Furthermore, we are engaging with customers to assess where the demand for – and the impact of – sustainable solutions is greatest and how cost impacts can be shared or mitigated.

Caring employer

Expectations concerning the way we treat each other at work and outside work are evolving.

The Covid-19 pandemic and supply chain bottlenecks have reaffirmed the significance of our colleagues' knowledge and expertise as well as their ability to solve problems as they arise.

Diversity, inclusion, sexual and other forms of harassment, equal pay and opportunities, are human rights issues that we as a corporate citizen are acting on and must be held accountable for. The well-being of employees is our responsibility.

Our Caring Employer strategy and activities are focused on these fundamental issues and we are making progress in this respect.

Business performance and strategy

We maintain a relentless focus on business development and financial performance. In 2021, EBITDA increased 25% to DKK 3.4bn before special items and a total dividend of DKK 8.00 per share is planned for payment in 2022. We expect to continue to grow earnings in 2022 with an outlook range for EBITDA of DKK 3.9-4.4bn before special items.

Our freight ferry and logistics activities performed above the initial outlook during 2021. A highlight of the year was the improved performance of the Mediterranean business unit. Passenger earnings remained on level with 2020 as Covid-19 continued to disrupt passenger travel markets.

Global supply chain bottlenecks spread to intra-European freight flows in 2021, especially freight flows linked to the UK. We adapted to the market change, but the sudden cost volatility introduced to our markets after decades of cost stability did initially impact margins negatively.

Growth is a key part of our strategy. We opened new ferry routes in 2021 and we introduced duty-free sales; we expanded our customs services, and we scaled up our cold chain logistics offering significantly through the acquisition of HSF Logistics Group. In

addition, we continuously strive to provide more and better services for our customers.

We expect to continue to grow our freight activities both organically and by acquisitions in the coming years. Our passenger travel activities are expected to begin their recovery to former strength in 2022 as Covid-19 subsides, with full impact expected in 2023.

Moving ahead in 2022

To reflect how business and ESG are melting together in our decision-making and strategic ambitions, our 2021 annual report for the first time integrates financial and ESG reporting.

The annual report features as an example a 'green transport corridor' to show that real changes are achievable in the not too distant future if we all join forces.

We look forward to moving ahead on sustainability, diversity & inclusion, as well as business performance in 2022.

We end this letter with a heartfelt thank you to all our colleagues in DFDS for your hard work and contributions in a 2021 that turned out to be another challenging year. We also thank all our external stakeholders, not least our customers, for your collaboration and support in 2021.

We expect to continue to grow our freight activities both organically and by acquisitions in the coming years.

Ferry Division

Head of division
Peder Gellert Pedersen

Business areas

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

Revenue

increased 25% to DKK

11.8bn

EBITDA

increased 23% to DKK

2.9bn

Ferry people

5,381

Freight earnings growth despite headwind from Brexit and supply chain bottlenecks

Mediterranean improved performance strongly

Passenger earnings still down DKK 1bn vs 2019 due to travel restrictions

In 2021, freight volumes recovered from the 2020-lockdowns, new freight routes were opened, and the investments of recent years in larger and more efficient freight ferries – both in cost and environmental terms – strengthened the reliability and capacity we offer to our primary customers: forwarders and hauliers.

It was also a challenging year as Brexit and supply chain bottlenecks lowered visibility, impacted freight flows, and raised operating costs. In addition, travel restrictions prevented a recovery in passenger numbers that remained on level with 2020.

In line with DFDS' Climate Action Plan, initiatives were taken to reduce emissions from the existing fleet while planning for long-term de-carbonisation intensified. Focus on Diversity & Inclusion actions and targets also gained momentum through the year.

Financial performance

The Ferry Division's revenue increased 25% to DKK 11,806m compared to 2020 driven by a recovery in freight volumes and the opening of three new routes. Passenger revenue – from the Channel, Passenger, and Baltic Sea business units - remained on level with 2020.

In 2021, the revenue split between freight and passenger revenue was around 90/10. In 2019, a pre-Covid-19 year, the split was 70/30.

EBITDA before special items increased 23% to DKK 2,852m and EBIT before special items increased 45% to DKK 1,160m. EBIT after special items increased 67% as 2021 included gains on asset sales and 2020 included special cost items related to organisational changes made in response to Covid-19.

The return on invested capital, ROIC, before special items increased to 5.3% in 2021 from 3.8% in 2020 primarily due to a considerable improvement in Mediterranean's ROIC.

ESG development

The key environmental challenge is to de-carbonise ferry operations by replacing fossil fuels with sustainable fuels. DFDS' Climate Action Plan includes short-term actions to reduce emissions from the existing fleet and transformative long-term actions to de-carbonise.

In 2021, several initiatives were taken to lower ferry emissions from the existing ferry fleet:

- Shore power facility in Copenhagen taken into use in October 2021. Planning ongoing for shore power projects in other ports in the route network
- Latest route planning and propulsion control technology installed on three ferries to improve fuel performance
- Anti-fouling hull paint applied to ten ferries to reduce friction in the water and hence fuel consumption
- LED lighting installed on freight decks on three ferries
- Installation of new injection system to optimise engine combustion on five ferries to save fuel (PMI VIT).

In port terminals, emissions are being reduced by focus on electrification, energy efficiency improvements, and increasing use of HVO (Hydrogenated Vegetable Oil) by terminal equipment such as tug-masters.

The target for gender diversity is a total workforce female gender ratio of 30%. In 2021, this ratio was 28% in the Ferry division, including a 25% ratio of female managers. In offices, the female gender ratio was 45%, and 28% for managers, while the non-office ratio was 10%, and 3% for managers. In the coming years, the focus will thus increasingly be on raising the non-office female gender ratios.

In 2021, the ferry route network deployed 64 ferries.

¹⁾ 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.

Ferry Division

DKK m	2021	2020 ¹⁾	Δ	Δ %
Revenue	11,806	9,445	2,360	25.0%
EBITDA before special items	2,852	2,315	538	23.2%
Share of profit/loss of associates and joint ventures	-13	-5	-7	n.a.
Profit/loss on disposal of non-current assets, net	4	1	3	n.a.
Depreciation and impairment	-1,684	-1,509	-175	11.6%
EBIT before special items	1,160	802	358	44.7%
EBIT-margin before special items, %	9.8	8.5	1.3	n.a.
Special items, net	12	-98	111	n.a.
EBIT	1,172	703	469	66.7%
Invested capital, average	20,442	20,222	220	1.1%
ROIC before special items, %	5.3	3.8	1.5	n.a.
Average number of employees	5,381	5,452	-71	-1.3%
Lane metres, '000	43,011	40,886	2,125	5.2%
Tons, '000	633	664	-31	-4.7%
Passengers, '000	869	1,498	-629	-42.0%

Green transport corridors of tomorrow

The transition from fossil to sustainable fuels to create green transport corridors has begun. The Denmark-UK corridor could be our first green corridor driven by customer demand and fuel availability. Our goal is to provide emission-free ferry and logistics services for products – for example butter and meat – destined for consumers in the UK. In partnership with our stakeholders, we are working on overcoming the challenges of a green corridor.



Logistics Division

Head of division
Niklas Andersson

Business areas

- Dry Goods
- Cold Chain

Revenue
increased 35% to DKK

7.2bn

EBITDA
increased 28% to DKK

0.6bn

Logistics people
2,774

Cold chain logistics offering boosted by acquisition of HSF Logistics Group

Earnings growth despite headwind from Brexit and supply chain bottlenecks

125 electric trucks ordered for delivery in 2022-23

In 2021, the demand for logistics solutions increased to the extent that supply chain bottlenecks in periods of the year reduced lead times and the ability to meet all customer demand. Financial performance improved for the contract logistics activities, cold chain, and specialised transport solutions as customers increased flows. The forwarding activities were on the other hand negatively impacted by fast and considerable carrier price increases that short-term were not compensated by price increases.

A key event of the year was the acquisition of the HSF Logistics Group that is specialised in cold chain logistics solutions, especially for meat producers. In combination with the existing cold chain activities, mainly in the UK, DFDS is a leading cold chain logistics provider in northern Europe.

Financial performance

The Logistics Division's revenue increased 35% to DKK 7,155m compared to 2020 driven by the acquisition of the HSF Logistics Group and considerable rate increases to compensate for higher costs. Revenue was also increased by the introduction of new customs clearance services related to the UK from the beginning of the year.

EBITDA before special items increased 28% to DKK 593m and EBIT before special items increased 56% to DKK 269m. The increase was to a large extent due to the acquisition of HSF Logistics Group consolidated from 14 September 2021. EBIT after special items increased 69% as 2020 included special cost items related to organisational changes made in response to Covid-19.

The return on invested capital, ROIC, before special items of 8.6% in 2021 was on level with 2020.

ESG development

The demand from customers for sustainable logistics solutions continued to increase in 2021. Sustainability is becoming a key selection criteria for awarding tenders for some customers.

Different technologies are emerging to de-carbonise haulage. For short-haul trips, electric trucks are an option, while sustainable fuels, such as hydrogen, could be more suitable for long-haul trips. The 125 electric trucks ordered for delivery in 2022-23 are expected to be deployed for short-haul trips in our network. Preparations for deployment are ongoing, including analysis of customer needs, flow of goods within different regions as well as the current and future charging infrastructure.

Further actions to de-carbonise across locations include installation of solar panels on warehouses, and investments in first generation reefer trailer and containers powered by solar and electricity. In addition, HVO is increasingly used to fuel trucks and other equipment used in warehouses and distribution centres.

The target for gender diversity is a total workforce female gender ratio of 30%. In 2021, this ratio was 20% in the Logistics Division, including a 16% ratio of female managers. There is, however, a high level of variance in ratios for the office and non-office workforces. In offices, the female gender ratio was 38%, and 18% for managers, while the non-office ratio was 5%, and no female managers. In the coming years, the focus on improving the ratio of female managers in non-office positions will have the highest priority.

¹⁾ 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.

Logistics Division

DKK m	2021	2020 ¹⁾	Δ	Δ %
Revenue	7,155	5,301	1,854	35.0%
EBITDA before special items	593	462	131	28.4%
Profit/loss on disposal of non-current assets, net	-1	3	-5	-143.8%
Depreciation and impairment	-322	-292	-30	10.3%
EBIT before special items	269	173	96	55.6%
EBIT-margin before special items, %	3.8	3.3	0.5	n.a.
Special items, net	2	-12	14	n.a.
EBIT	271	161	110	68.6%
Invested capital, average	2,520	1,613	907	56.2%
ROIC before special items, %	8.6	8.5	0.1	n.a.
Average number of employees	2,774	2,112	662	31.3%
Units, '000	544	525	18.8	3.6%

People

Head of division

Anne-Christine Ahrenkiel

Business areas

- Land based HR
- Crewing

Countries of employment

22

Employees in total

8,874

Full time equivalents

Female ratio

24%

Responsible Employer framework

Female ratios increasing across DFDS with +2% on both land and sea

Strengthened land-based Health & Safety organisation

Our organisation is constantly adapting and expanding. In 2021, this was partly due to challenges like Brexit and supply chain bottlenecks, but it was also a consequence of our strategic decision to grow through acquisitions.

As we expand, we need to ensure that our employees are equipped to accommodate the changes taking place. Resilience in the face of change, use of modern technologies to collaborate and work smarter, are necessary skills. Our growth strategy also requires us to focus on recruiting, developing, and retaining bright minds, and together learning what it takes to successfully integrate new companies to work and act as one DFDS.

Our ESG (Environment Social Governance) framework is a key instrument for change. It enables us to set ambitions and track progress on becoming an even more attractive, diverse, and inclusive workplace.

Room for everyone to be

We are part of an industry that is historically undiverse. From non-office workers like drivers and terminal/warehouse workers to IT and engineering staff, there are often a majority of males in our workforce. Except for the People and Finance Divisions, female leaders are a minority throughout our company, too. We are working to promote and change the face of the industry through a dedicated and structured approach to diversity and inclusion. This includes training sessions, toolboxes and efforts to raise awareness and to make more bias neutral decisions.

In terms of gender, we maintain our target of 30% minority representation in the company.

We want to ensure equal pay for equal work and have in 2021 completed a structured analysis to identify any unintended pay gaps

across the business, starting at the HQ in Denmark. The process is now being incorporated in annual salary reviews, through awareness building and guidelines for responsible leaders.

We also want to help our employees grow personally. We try to spark a strong internal culture that encourages people to help and volunteer in their teams and local communities. From fundraising for local charities to launching a group-wide LGBTQ+ network, we are proud of all our colleagues who go out of their way to make a difference.

To ensure that our employees can grow, we must provide fair working conditions across all locations. We define a responsible employer as one who respects human rights and seeks to exceed them. As a responsible employer, we are fully committed to our responsibility to respect human rights as defined by the UN Guiding Principles on Business and Human Rights.

Zero-tolerance on discrimination, bullying, and harassment

We believe in the importance of equal treatment of all employees regardless of their background. All employees should feel respected and be treated with dignity. All managers receive ongoing training in diversity and inclusion. We have a designated toolbox available to all employees covering themes like sexual harassment prevention, bias identification, and fair recruitment practices.

Health & Safety

Operating a business where 45% of our employees work in high-risk environments requires us to continuously assess and improve our overall health & safety performance. To strengthen our land-based health & safety focus, we have implemented a global health & safety department to raise awareness and enforce additional preventive actions to reduce our health & safety risks. Developing a strong health & safety culture will be part of this.

Green transport corridors of tomorrow

Fuel type - from fossil to sustainable fuels

It all starts with sustainable energy sources, such as wind or solar power. Already today, sustainable energy goes directly into the energy system as electricity, for example for use by electric cars and trucks.

For ferries there are currently four possible sustainable fuels or energy sources that could be suitable: ammonia, methanol, and hydrogen as well as batteries for short-sea ferries.

The three fuels have different attributes regarding storage and energy efficiency. Ammonia is toxic but can be stored, in a manageable way regarding temperature and pressure, as a liquid in tanks, while hydrogen can be stored as a gas in high-pressure tanks or as a liquid at -252.8 C. Methanol can be stored at ambient temperatures.

The less energy dense a fuel is, the higher the quantity required to produce energy equivalent to fossil fuel.

A final important factor is the long-term expected fuel price which will depend on cost of renewable electricity, scale of the production, and availability of required feedstock for methanol.

No decisions have been taken yet, but ammonia's attributes makes it a likely choice for ferries with longer crossing times.

The next step is to build ferries with sustainable fuel engines.

Energy efficiency (sailing distance)



The DFDS share and shareholders

27%

share price increase in 2021

Dividend planned

for payment in 2022

Share capital

DFDS has one class of shares. The share capital at the end of 2021 was DKK 1,173m comprising 58,631,578 shares, each with a nominal value of DKK 20. There were no changes to the share capital during 2021.

Stock exchange trading

The DFDS share is listed on Nasdaq Copenhagen where 20.6m DFDS shares were traded in 2021 equal to an annual turnover of DKK 6.8bn compared to DKK 7.0bn in 2020. The average number of trades per day was 1,245 compared to 1,196 in 2020 and the average daily turnover was DKK 27m compared to DKK 28m in 2020. The DFDS share is part of Nasdaq's Large Cap index.

Share price development and yield

DFDS' share price was DKK 349 at year-end 2021, an increase of 27% compared to year-end 2020. The market value at the end of 2021 was DKK 20.5bn, excluding treasury shares. By comparison, the Danish stock market's all-share index increased 22% in 2021.

The total distribution yield of the DFDS share was 0% in 2021 as no capital was distributed to shareholders due to the general uncertainty caused by Covid-19 as well as its extraordinary negative impact on passenger earnings in 2021.

Distribution policy

The starting point for determining the level of capital distribution to shareholders is the current and expected future financial leverage measured as the ratio between NIBD and EBITDA. Target leverage is a ratio between 2.0 and 3.0. NIBD/EBITDA was 3.7 at year-end 2021.

Capital is distributed through dividend and share buybacks. The latter instrument is preferred for distribution of excess capital while dividend is preferred to be ongoing and sustainable. Whether capital is in excess is assessed based on the leverage target as well as future earnings prospects and investment requirements.

It is preferred to pay dividend semi-annually to facilitate a faster return of capital to shareholders and to align payments with DFDS' seasonal cash flow that normally peaks during the third quarter, the high season for passenger travel.

Distribution to shareholders in 2021

Due to Covid-19's continued extraordinary negative impact on passenger earnings, it was decided to continue to safeguard the financial position in 2021. It was therefore decided by the annual general meeting (AGM) that no dividend was paid in 2021.

Dividend proposal for payment in 2022

The Board of Directors proposes to pay a dividend of DKK 4.00 per share in 2022. It is the intention of the Board of Directors according to the authority delegated to it to distribute an extraordinary dividend of DKK 4.00 per share by August 2022.

Shareholders

At the end of 2021, DFDS had 22,032 registered shareholders who owned 96% of the share capital. International shareholders owned 30% (2019: 34%) of the total registered share capital. Lauritzen Fonden Holding was the largest shareholder with a holding of 42% of the total share capital at the end of 2021 compared to 41% at the end of 2020.

Investor Relations

The aim of investor relations (IR) is to facilitate an ongoing dialogue with the financial community, primarily institutional investors, and analysts. Key events during the year are quarterly reports, conference calls and roadshows to present strategic and financial results. In addition, management and IR participate at investor conferences, roadshows and meetings with investors and analysts in between quarters. Due to Covid-19, roadshows and meetings were mostly virtual in 2021. There is a silent period of four weeks prior to the release of quarterly reports.

Investor relations

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Shareholder's secretariat

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¹⁾ With reference to §38 in the Danish Capital Markets Act, Lauritzen Fonden Holding domiciled in Copenhagen, Denmark, has notified DFDS A/S that it holds more than 5% of the share capital and voting rights of the company.

²⁾ Total of registered shareholders

Ownership structure, year-end 2021, %¹

Lauritzen Fonden Holding	41.7
Institutional shareholders	44.1
Other registered shareholders	7.8
Treasury shares	2.0
Non-registered shareholders	4.4
Total	100.0

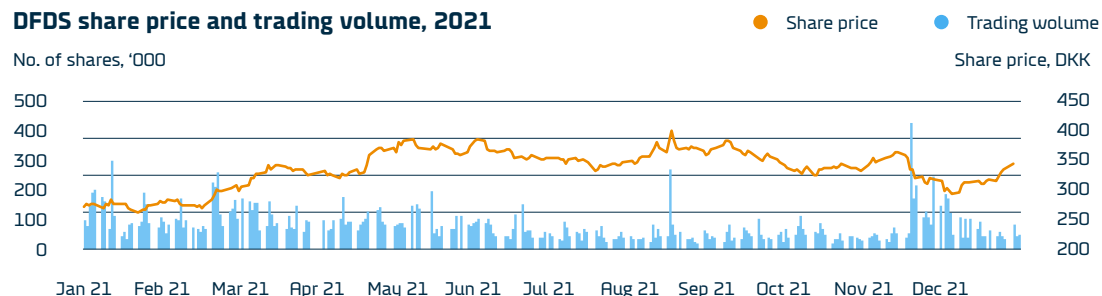
Shareholder distribution, year-end 2021²

No. of shares	No. of shareholders	% of share capital
1-50	9,689	0.4
51-500	9,833	3.0
501-5,000	2,200	4.9
5,001-50,000	222	5.3
50,001-	88	82.0
Total ²	22,032	95.6

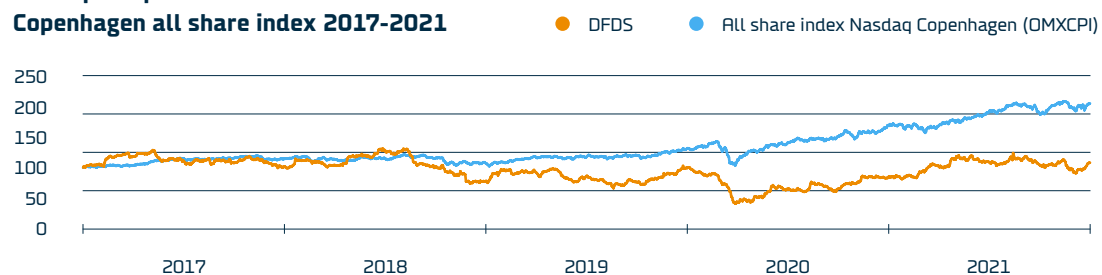
Share related key figures

	2021	2020	2019	2018	2017
Share price, DKK					
Price at year-end	349	275	325	262	331
Price high	400	325	332	421	415
Price low	262	134	215	239	321
Market value year-end, DKK m	20,038	15,772	18,593	14,990	18,106
No. of shares year-end, m	59	59	59	59	57
No. of circulating shares year-end, m	57	57	57	57	55
Distribution to shareholders, DKK m					
Dividend paid per share, DKK	0	0	4.00	4.00	10.00
Total dividend paid ex. treasury shares	0	0	229	219	555
Buyback of shares	0	0	0	190	1,106
Total distribution to shareholders	0	0	229	409	1,661
FCFE yield, %	-4.9	1.2	-0.8	-15.2	6.1
Total distribution yield, %	0	0	1.2	2.7	9.2
Cash payout ratio, %	0	0	-151.7	-17.9	150.7
Shareholder return					
Share price change, %	26.8	-15.3	24.0	-20.9	24.1
Dividend return, %	0	0	1.5	1.2	3.7
Total shareholder return, %	26.8	-15.3	25.5	-19.6	27.8
Share valuation					
Equity per share, DKK	199.4	183.4	179.6	160.5	120.7
Price/book value, times	1.8	1.5	1.8	1.6	2.7

DFDS share price and trading volume, 2021



Share price performance relative to Copenhagen all share index 2017-2021



Financial Review

Freight earnings growth and increasing sustainability focus

We grew freight earnings, broadened the scope of our freight offering to customers, and made important progress on sustainability in 2021. The growth in freight earnings was to a large extent achieved in the first half-year as Covid-19 lockdowns reduced earnings considerably in the first half-year of 2020. In the second half of 2021, freight earnings growth was lowered by cost increases due to supply chain bottlenecks that peaked in Q3.

In addition, Mediterranean business unit earnings increased considerably as capacity was expanded to carry higher volumes between Turkey and the EU as trade was boosted by depreciation of the Turkish Lira (TRY).

Passenger earnings remained on level with 2020 as travel restrictions were in place for most of the year. Passenger earnings are thus still reduced by DKK 1bn compared to 2019.

Three new freight ferry routes were opened in 2021, facilitating trade between Ireland and France/the Continent (EU), Turkey and Spain, as well as the UK and France.

We also significantly expanded our cold chain logistics offering through the acquisition of the HSF Logistics Group.

A new ESG (Environment, Social, Governance) management framework was established in 2021 to move our sustainability and diversity & inclusion agendas forward.

The announcement of an ambition to deploy a green ferry by 2025 marks the start of a journey to de-carbonise our ferry operations. By ordering of 125 e-trucks for delivery later in 2022 and in 2023, we also embarked on a similar journey to de-carbonise our logistics solutions.

Also in 2021, customer service was maintained at a satisfactory level despite Covid-19, Brexit, and supply chain bottlenecks. This was accomplished by a great effort by the people of DFDS across the ferry and logistics networks.

On this background, revenue for 2021 increased 28% to DKK 17,869bn. The operating profit (EBITDA) before special items increased 25% to DKK 3,411m in 2021 compared to 2020 as freight earnings recovered from the 2020-lockdowns and the Mediterranean business unit improved performance.

On a divisional level, the Ferry Division's EBITDA before special items increased 23% to DKK 2,852m. The Logistics Division's EBITDA before special items increased 28% to DKK 593m mostly driven by

Revenue

increased 28% to DKK

17.9bn

EBITDA

increased 25% to DKK

3.4bn

Return on invested capital (ROIC)

increased to

5%

Investments of DKK

3.2bn

of which acquisitions
DKK 1.7bn

the acquisition of the HSF Logistics Group consolidated from 14 September 2021.

The Group's free cash flow was positive by DKK 2.0bn before cash flow from acquisitions of DKK -1.8bn. Including acquisitions and adjusted for lease payments, the free cash flow was negative by DKK 0.7bn.

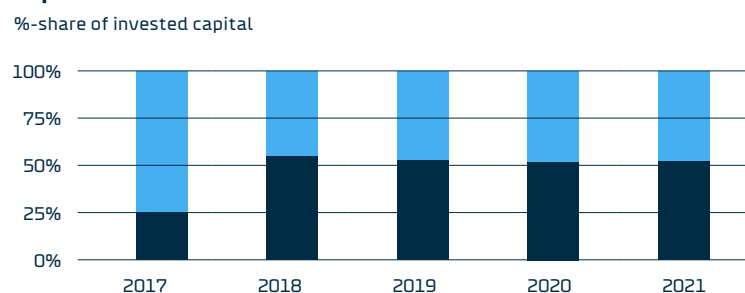
Financial leverage, measured by the ratio of net interest-bearing debt (NIBD) to operating profit (EBITDA) before special items, was 3.7 at year-end compared to 4.2 at year-end 2020. The leverage ratio for 2021 includes a pro forma EBITDA for HSF Logistics Group for the last twelve months. The equity ratio was 38% at year-end 2021.

The average number of full-time employees (FTE) increased 8% to 8,874 in 2021 mainly due to the acquisition of the HSF Logistics Group. The headcount was 10,559 at the end of 2021.

EBITDA before special items per quarter



Capital structure



Key figures

DKK m	2021 ¹⁾		2020	2019	2018 ²⁾	2017 ²⁾
	EUR m	2021				
Income statement						
Revenue	2,403	17,869	13,971	16,592	15,717	14,328
Ferry Division ³⁾	1,587	11,806	9,445	12,197	11,117	9,892
Logistics Division ³⁾	962	7,155	5,301	5,116	5,324	5,160
Non-allocated items and eliminations ³⁾	-147	-1,092	-776	-722	-724	-724
Operating profit before depreciations (EBITDA) and special items	459	3,411	2,732	3,633	2,988	2,702
Ferry Division ³⁾	383	2,852	2,315	3,254	2,713	2,513
Logistics Division ³⁾	80	593	462	421	330	263
Non-allocated items	-5	-35	-45	-42	-55	-74
Profit on disposal of non-current assets, net	0	2	5	6	7	7
Operating profit (EBIT) before special items	177	1,313	858	1,751	1,909	1,782
Special items, net	5	34	-117	-101	-49	-41
Operating profit (EBIT)	181	1,348	741	1,650	1,859	1,741
Financial items, net	-37	-278	-275	-278	-165	-55
Profit before tax	144	1,069	466	1,371	1,694	1,686
Profit for the year	131	976	442	1,313	1,637	1,618
Profit for the year excluding non-controlling interest	129	958	433	1,309	1,630	1,617
Capital						
Total assets	4,131	30,721	27,006	26,863	22,132	13,308
DFDS A/S' share of equity	1,539	11,446	10,511	10,276	9,175	6,565
Equity	1,554	11,554	10,600	10,356	9,255	6,614
Net-interest-bearing debt	1,813	13,481	11,361	11,954	8,513	2,352
Invested capital, end of period	3,411	25,369	22,121	22,476	17,908	9,099
Invested capital, average	3,136	23,324	22,500	20,927	13,778	9,178
Cash flows						
Cash flows from operating activities, before financial items and after tax	468	3,484	2,772	3,258	2,516	2,666
Cash flows from investing activities	-432	-3,210	-1,618	-2,651	-4,802	-1,564
- Acquisition of enterprises and activities	-237	-1,765	-14	-131	-3,635	0
- Other investments, net	-194	-1,444	-1,603	-2,519	-1,167	-1,564
Free cash flow (FCFF)	37	274	1,155	607	-2,286	1,102
Repayment of lease liabilities and lease interest	-125	-929	-679	-785	-	-
Adjusted free cash flow	-88	-655	475	-178	-2,286	1,102
Key operating and return ratios						
Average number of employees		8,874	8,213	8,367	7,791	7,235
Number of ships		80	70	70	70	64
Revenue growth, %		27.9	-15.8	5.6	9.7	3.9
EBITDA margin, %		19.1	19.6	21.9	19.0	18.9
Operating margin, %		7.3	6.1	10.6	12.1	12.4
Revenue/invested capital average, (times)		0.8	0.6	0.8	1.1	1.6
Return on invested capital (ROIC), %		5.3	3.0	7.6	13.1	18.6
ROIC before special items, %		5.2	3.5	8.1	13.5	19.0
Return on equity, %		8.7	4.2	13.5	20.7	24.5
Key capital and per share ratios						
Equity ratio, %		37.6	39.3	38.6	41.8	49.7
Net-interest-bearing debt/EBITDA, times ⁴⁾		3.7	4.2	3.3	2.8	0.9
Earnings per share (EPS), DKK		16.7	7.6	22.9	29.0	29.1
Dividend paid per share, DKK		0.0	0.0	4.0	4.0	10.0
Number of shares, end of period, '000		58,632	58,632	58,632	58,632	57,000
Weighted average number of circulating shares, '000		57,416	57,310	57,196	56,204	55,594
Share price, DKK		349.0	275.2	325.0	262.2	331.3
Market value, DKK m		20,018	15,790	18,593	14,990	18,106

¹⁾ Applied exchange rate for Euro as of 31 December 2021: 7.4370 (Average) and 7.4365 (End).

²⁾ 2017-18 comparative numbers are not restated to IFRS 16.

³⁾ 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, whereas 2017-2019 comparative numbers are not restated.

⁴⁾ The ratio for 2021 includes a pro forma EBITDA for the last twelve month for HSF Logistics Group.

Green transport corridors of tomorrow

Sustainable fuel availability

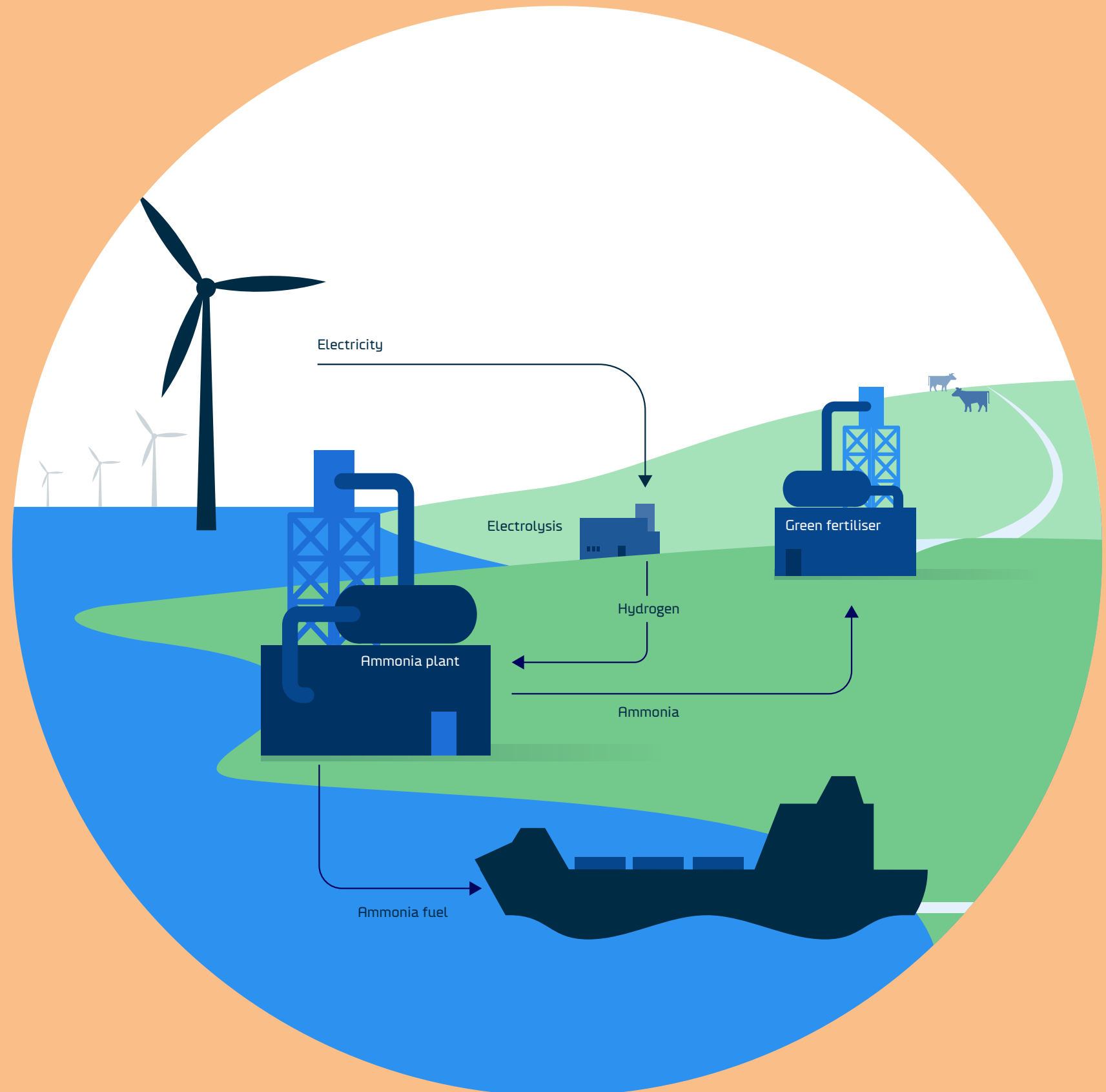
Before ferries can sail over longer distances on renewable electricity, for example from wind mills, it needs to be converted to liquid fuel as either ammonia, hydrogen, or methanol, which then can be stored in tanks onboard.

To produce the quantities of energy required by ferries, we need to significantly increase the production of renewable energy. Secondly, the future providers of sustainable fuels need to invest and build plants to produce the fuels – ideally in locations close to ports. Thirdly, the fuel distribution from plant to ferry needs to be developed.

Again, we must partner with each other to kickstart the transition to green fuels as huge investments are required by all stakeholders.

The price of sustainable fuels is today 3-4 times higher than fossil fuels and less energy efficient as well. Scale and a much larger supply of renewable electricity are therefore required in sustainable fuel production to lower pricing to reasonable levels.

Producers supplying fertiliser to farms in the green transport corridor envisaged between Denmark and the UK, can also add to demand, and thereby scale, as they use ammonia in their production.



Board of Directors As per 24 February 2022

Claus V. Hemmingsen (1962)
Chair / 3,336 shares

Position: Managing director,
CVH Consulting Aps
Joined the board: 29 March 2012
Re-elected: 2013-2021
Period of office ends: AGM 2022

*Chair of the Nomination
and Remuneration Committees*

Anders Götzsche (1967)
Board member / 3,500 shares

Position: Executive Vice President and
CFO, H. Lundbeck A/S
Joined Board: 19 March 2018
Re-elected: 2018-2021
Period of office ends: AGM 2022

Chair of the Audit Committee

Jesper Hartvig Nielsen (1975)
Board member (staff representative)
/ 230 shares

Joined Board: 19 March 2018
Re-elected: 2019
Period of office ends: AGM 2022

Klaus Nyborg (1963)
Vice Chair / 825 shares

Position: Managing director,
Return ApS
Joined the Board: 31 March 2016
Re-elected: 2017-2021
Period of office ends: AGM 2022

*Member of the Nomination and
Remuneration Committees*

Jens Otto Knudsen (1958)
Board member (staff representative)
/ 130 shares

Joined Board: 13 April 2011
Re-elected: 2012-2019
Period of office ends: AGM 2022
Board meeting participation: 10/10

Jens Otto Knudsen has no manage-
rial or executive positions in other
companies.

Lars Skjold-Hansen (1965)
Board member (staff representative)
/ 530 shares

Joined Board: 22 March 2013
Re-elected: 2014-2019
Period of office ends: AGM 2022

Marianne Dahl (1974)
Board member / 1,817 shares

Position: Managing Director & Partner,
Boston Consulting Group
Joined Board: 21 March 2017
Re-elected: 2018-2021
Period of office ends: AGM 2022

*Member of the Nomination and Remu-
neration Committees*

Jill Lauritzen Melby (1958)
Board member / 4,735 shares

Position: Team Leader Finance, BASF A/S
Joined Board: 18 April 2001
Re-elected: 2002-2021
Period of office ends: AGM 2022

Member of the Audit Committee

Dirk Reich (1963)
Board member / 0 shares

Joined Board: 1 July 2019
Re-elected: 2020-2021
Period of office ends: AGM 2022
Member of the Audit Committee

Executive Board

Torben Carlsen (1965)
President & CEO / 133,902 shares

Appointed: 1 May 2019 (previously
CFO of DFDS since 1 June 2009)

Karina Deacon (1969)
EVP & CFO / 1,456 shares

Appointed: 1 January 2020



Executive Management Team

Torben Carlsen (1965)
President & CEO

MSc (Finance)
Employed by DFDS since 2009

Karina Deacon (1969)
Executive Vice President & CFO

MSc (Aud)
Employed by DFDS since 2020

Peder Gellert Pedersen (1958)
*Executive Vice President,
Ferry Division*

Ship broker, HD (O)
Employed by DFDS since 1994

Niklas Andersson (1973) *Executive
Vice President, Logistics Division*

Marketing, IHM Business School
Employed by DFDS since 2012

Martin Gade Gregersen (1980)
*Senior Vice President,
Logistics Division*

Freight forwarder
Employed by DFDS since 2021
(since 2001 employed by NGK
Spedition that was acquired by DFDS
as part of HSF Logistics Group)

Anne-Christine Ahrenkiel (1970)
*Executive Vice President,
Chief People Officer*

MSc (Scient. pol.), Bachelor in
French/Italian
Employed by DFDS since 2019

Rune Keldsen (1979)
*Executive Vice President,
Chief Technology Officer*

MSc (IT)
Employed by DFDS since 2020



Financial calendar 2022

23 March

AGM

11 May

Q1 report 2022

16 August

Q2 report 2022

17 November

Q3 report 2022

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