

Q4 Interim and Full-year 2021 Report

# GROWTH SET TO CONTINUE IN 2022

- EBITDA increased 19% to DKK 915m in Q4
- Supply chain bottlenecks eased during Q4
- Early signs of pick-up in passenger numbers
- EBITDA expected to grow more than 20% in 2022
- Total dividend of DKK 8.00 per share planned



# Highlights Q4

## Q4 2021

- Revenue up 46% to DKK 5.5bn
- Full effect of HSF Logistics Group
- Passenger result improved

## Outlook 2022

- EBITDA range DKK 3.9-4.4bn (2021: DKK 3.4bn)
- Revenue growth of 23-27%
- Investments of DKK 2.3bn

“In spite of Covid-19, Brexit, and supply chain bottlenecks, we delivered a strong result for 2021. In 2022, we look to raise both revenue and earnings more than 20%.”

**Torben Carlsen, CEO**

Revenue increased 46% to DKK 5.5bn driven by the acquisition of HSF Logistics Group, higher revenue from bunker surcharges, and a doubling of passenger revenue from a low level in Q4 2020. Passenger revenue remained far below pre-Covid-19 levels through 2021.

EBITDA increased 19% to DKK 915m. The total freight EBITDA for ferry and logistics before special items increased 9% to DKK 946m driven mainly by the acquisition of HSF Logistics Group. Supply chain bottlenecks eased during Q4 and towards the end of the quarter UK freight flows also normalised. The total EBITDA for passenger activities in the Baltic Sea, Channel, and Passenger business units increased DKK 67m to DKK -30m.

The Board of Directors proposes to the 2022 AGM a dividend of DKK 4.00 per share. In addition, the Board of Directors plan to distribute a further dividend of DKK 4.00 per share in August 2022.

## Outlook 2022

The Group's revenue is expected to increase by 23-27% compared to 2021. The two main growth drivers are the full-year impact of the acquisition of HSF Logistics Group and a recovery in passenger revenue. Freight volumes are expected to grow in most markets as well. The Group's EBITDA before special items is expected to be within a range of DKK 3.9-4.4bn (2021: DKK 3.4bn). The outlook is detailed on page 10.

## KEY FIGURES

DKK m	2021 Q4	2020 Q4	Change, %	2021 Full year	2020 Full year	Change, %
Revenue	5,482	3,761	45.7	17,869	13,971	27.9
<b>EBITDA before special items</b>	<b>915</b>	<b>769</b>	<b>18.9</b>	<b>3,411</b>	<b>2,732</b>	<b>24.9</b>
EBIT before special items	309	289	6.7	1,313	858	53.1
Profit before tax and special items	255	194	31.6	1,035	583	77.4
<b>Profit before tax</b>	<b>259</b>	<b>97</b>	<b>167.7</b>	<b>1,069</b>	<b>466</b>	<b>129.5</b>

## 8 February 2022. Conference call today at 10.00am CET

Access code: 69658763# Phone numbers to the call: DK +45 35445577, US +1 631 913 1422,

UK +44 333 300 0804

# Key figures

DKK m	2021 Q4	2020 Q4	2021 Full year	2020 Full year
<b>Income statement</b>				
Revenue	5,482	3,761	17,869	13,971
• Ferry Division*	3,223	2,540	11,806	9,445
• Logistics Division*	2,541	1,444	7,155	5,301
• Non-allocated items	129	106	526	491
• Eliminations*	-411	-328	-1,618	-1,268
Operating profit before depreciation (EBITDA) and special items	915	769	3,411	2,732
• Ferry Division*	741	668	2,852	2,315
• Logistics Division*	211	123	593	462
• Non-allocated items	-37	-21	-35	-45
Profit/loss on disposal of non-current assets, net	-1	0	2	5
Operating profit (EBIT) before special items	309	289	1,313	858
Special items, net	4	-97	34	-117
Operating profit (EBIT)	313	192	1,348	741
Financial items, net	-54	-95	-278	-275
Profit before tax	259	97	1,069	466
Profit for the period	256	109	976	442
Profit for the period excluding non-controlling interest	252	106	958	433
<b>Capital</b>				
Total assets	-	-	30,721	27,006
DFDS A/S' share of equity	-	-	11,446	10,511
Equity	-	-	11,554	10,600
Net interest-bearing debt	-	-	13,481	11,361
Invested capital, end of period	-	-	25,369	22,121
Invested capital, average	24,582	22,267	23,324	22,500

DKK m	2021 Q4	2020 Q4	2021 Full year	2020 Full year
<b>Cash flows</b>				
Cash flows from operating activities, before financial items and after tax	850	797	3,484	2,772
Cash flows from investing activities	-1,594	-192	-3,210	-1,618
• Acquisition of enterprises and activities	-803	0	-1,765	-14
• Other investments, net	-790	-192	-1,444	-1,603
Free cash flow	-744	605	274	1,155
Repayment of lease liabilities and lease interest	-274	-161	-929	-679
Adjusted free cash flow (FCFF)	-1,018	444	-655	475
<b>Key operating and return ratios</b>				
Average number of employees (FTE)	-	-	8,874	8,213
Number of ships	-	-	80	70
Revenue growth (reported), %	45.7	-6.2	27.9	-15.8
EBITDA-margin before special items, %	16.7	20.5	19.1	19.6
Operating margin before special items, %	5.6	7.7	7.3	6.1
Revenue/invested capital average, (times)	-	-	0.8	0.6
Return on invested capital (ROIC), %	-	-	5.3	3.0
ROIC before special items, %	-	-	5.2	3.5
Return on equity, %	-	-	8.7	4.2
<b>Key capital and per share ratios</b>				
Equity ratio, %	-	-	37.6	39.3
Net interest-bearing debt/EBITDA, (times)**	-	-	3.7	4.2
Earnings per share (EPS), DKK	4.39	1.85	16.69	7.56
Dividend paid per share, DKK	0.00	0.00	0.00	0.00
Number of shares, end of period, '000	-	-	58,632	58,632
Weighted average number of circulating shares, '000	-	-	57,416	57,310
Share price, DKK	-	-	349.0	275.2
Market value	-	-	20,018	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.

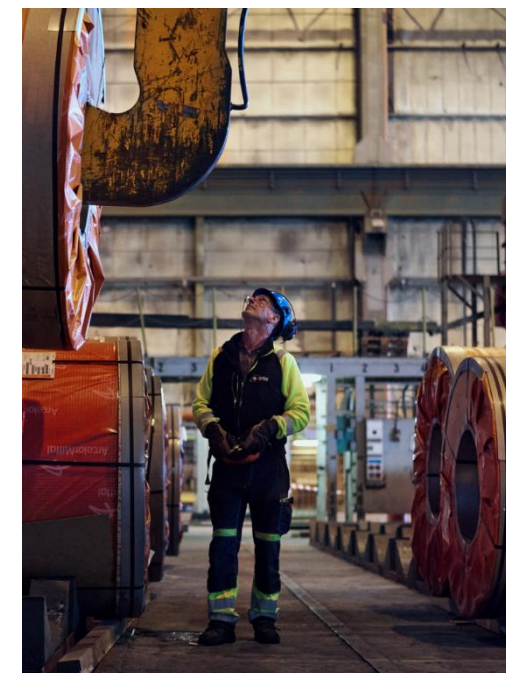
\*\* The ratio for 2021 includes a pro forma EBITDA for the last twelve month for HSF Logistics Group. Definitions on page 32.

# ESG key figures

	Unit	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2021 Full year	2020 Full year
<b>Environmental data*</b>							
Total number of ferry operating days	Days	5,757	5,694	5,827	5,919	23,197	18,774
<b>CO2 emissions</b>							
CO2 emissions per GT mile	gCO2	14.0	13.7	13.2	13.7	13.6	13.5
<b>Energy consumption</b>							
Total marine fuel consumption	Tonnes HFOe	180,179	198,058	189,772	203,038	771,738	619,867
Fuel consumption per nautical mile	kg HFOe/Nm	141.1	137.2	136.0	140.5	138.1	135.8
Fuel consumption per GT-nautical mile	g/GT/Nm	4.5	4.4	4.3	4.4	4.4	4.3
<b>Oil spills</b>							
Spills (>1 barrel)	Number	0	0	0	0	0	1
<b>Social data*</b>							
Average number of employees	FTE	7,965	8,042	8,208	8,312	8,328	8,213
<b>Representation of women</b>							
Total workforce gender ratios:	%	24	24	25	24	24	23
• At sea	%	15	16	18	17	17	15
• On land	%	28	28	28	29	29	27
Senior management	%	17	17	17	17	17	16
Managers	%	10	10	13	14	14	13
Employees	%	26	26	27	27	27	26
<b>Safety at sea</b>							
Lost-time injury frequency (LTIF)	Incidents/mill. Hours	5.3	3.7	5.5	2.9	4.3	4.1
<b>Safety on land</b>							
Lost-time injury frequency (LTIF)	Incidents/mill. Hours	5.8	4.1	7.8	10.9	7.4	5.9
<b>Fatalities</b>							
Colleagues	Fatalities	0	1	0	0	1	0
Contractors	Fatalities	0	0	0	0	0	2
<b>Governance data</b>							
Representation of women in the Board	%	33	33	33	33	33	33
Attendance at Board meetings (All Board members)	%	100	100	100	100	100	96

\*All ESG data is excluding the newly acquired HSF Logistics Group.

Quarterly reporting of selected key figures for ESG (Environment, Social, Governance) was included in the quarterly report from Q2 2021. Quarterly comparison figures for 2020 are not available.



Focus on land-based Health & Safety is strengthened to increase awareness and enforce additional preventive actions

# Management review

## Market overview

The overall European freight market continued to grow in Q4, although some uncertainty about growth expectations for 2022 started to emerge towards the end of the quarter.

Turkey's GDP-growth and further depreciation of the Turkish Lira (TRY) continued to support industrial production in the country's export sector. Activity levels also continued to grow in the Baltic region and Scandinavia as well as most parts of Continental Europe.

The supply chain bottlenecks that led to a slowdown in especially UK freight flows in Q3 eased during the quarter, and towards the end of the quarter UK freight flows had normalised. There was no material impact on freight flows in January 2022 following the implementation of further UK border controls on 1 January 2022.

The European market for passenger ferry travel remained negatively impacted by travel restrictions in Q4. Travel restrictions were to a large extent removed in Scandinavia but uncertainty about rising infection numbers and testing requirements held back travel. Travel restrictions between the UK and neighbouring continental countries were upheld in most of the quarter and testing requirements likewise maintained ferry travel at very low numbers.

The main changes in average exchange rates in Q4 2021 vs Q4 2020 were a depreciation of TRY/DKK by 24% and appreciation of NOK/DKK and GBP/DKK by 8% and 6%, respectively.

## Major events in Q4

### Acquisition of HSF Logistics Group completed

The second and final payment for the acquisition of HSF Logistics Group was completed in Q4. The enterprise value of the transaction was DKK 2.5bn and the equity value, including payment for minority interests, was DKK 1.8bn. See note 5 for details.

### 125 electric trucks ordered for logistics network

On 6 October 2021, DFDS ordered 100 Volvo FM Electric trucks for deployment throughout the European logistics network in 2022 and 2023. An additional 25 trucks were ordered in December 2021.

The heavy-duty Volvo FM Electric truck can carry a maximum weight of 44 tons (Gross Combination Weight) and is able to drive up to 300 km when fully charged. The trucks will initially mostly be used for shorter trips in supply chain solutions offered to customers.

### Baltic Sea route network boosted by new ferries

The freight capacity and passenger experience will be boosted by deployment of two ferry new-buildings in 2022.

In December 2021, the first of two combined freight and passenger ferry new-buildings (ro-pax) was delivered from the shipyard in China. The new ferry can carry 4,500 lane metres of freight and cars as well as 600 passengers. CO2 emissions per trailer are expected to be lowered by more than 20% by the new ferries that comply with the new design standards of EEDI (Energy Efficiency Design Index).

The new ferry was deployed on the Karlshamn-Klaipeda route in late January 2022.

### Acquisition of Swedish haulier

On 15 October 2021, DFDS acquired the Swedish haulier GA Åkerierna in an asset transfer agreement. GA Åkerierna has 19 employees, mostly truck drivers, and operates 20 own trucks and around 100 trailers. The increased haulage capacity improves the capability to ensure fulfillment of Swedish contract logistics activities.

### Sale of two sideport ships

In December 2021, a sale and lease-back agreement comprising two sideport and container ships was entered into with Godby Shipping. The two ships, Lysvik (1997)

and Lysbris (1998), will continue to be deployed on routes between Norway, the UK, and the Continent carrying mainly industrial paper products and containers. The agreement includes options to extend the charters beyond 2024.

## Major events after Q4

### Acquisition of ICT Logistics approved

The acquisition of ICT Logistics agreed on 15 September 2021 was approved by relevant competition authorities in January 2022. The integration was subsequently initiated. ICT Logistics provides transport solutions between Scandinavia and Eastern Europe, particularly Russia, Ukraine, Romania, Latvia, and Lithuania. The company has 80 employees and annual revenue of DKK 260m.

## Dividend

The Board of Directors plans to pay a total dividend of DKK 8.00 per share in 2022 as financial leverage is, all else being equal, expected to move towards the target leverage range in 2022. The dividend is planned to be paid in two instalments of DKK 4.00 per share in March and August, respectively.

## ESG actions and plans

This section provides an overview of ESG (Environment, Social, Governance) actions and plans in addition to the key figures reported on page 4.

### Environment

DFDS' Climate Action Plan covers short-term actions to reduce emissions from existing assets (mainly ferries and transport equipment), and transformative long-term actions to de-carbonise operations.

#### Ferry Division

Fuel efficiency for the fleet decreased in Q4 compared to Q3 as expected due to the shift in weather conditions during that time of the year.

From a full-year perspective, the CO<sub>2</sub> per GT mile increased from 13.6 g/CO<sub>2</sub>/GT mile in 2020 to 13.7 g/CO<sub>2</sub>/GT mile in 2021. The increase is not a result of decreasing efficiency but rather due to 2020 being an abnormal year where a large part of the fleet was laid up due to Covid-19. As such, 2020 is not a viable benchmark.

Compared to 2019, full-year efficiency was improved as CO<sub>2</sub> emissions per GT mile of 14.1 g/CO<sub>2</sub>/GT mile was reduced to 13.7 g/CO<sub>2</sub>/GT mile in 2021.

#### Short-term actions and plans

In 2021, DKK 34m was spent on 19 technical initiatives to lower fuel consumption and reduce fleet emissions. This

included installation of route planning and propulsion control technology, anti-fouling hull paint, new injection systems to optimise engine combustion, and LED lights on cargo decks. These installations are expected to reduce emissions by 21,800 t CO<sub>2</sub> in 2022.

#### Transformative actions and plans

DFDS has an ambition to deploy a green freight ferry in the route network by 2025. In 2021, a new focused department, Sustainable Fleet Projects, was established to gather the competencies needed to secure a green transition of the fleet. Retrofitting and new-building options are currently being analysed, including new technologies and fuels. This is done in close collaboration with our customers and other stakeholders. The overall aim is to create green corridors in the network that offer green transport options.

#### Logistics Division

The overall ambition is to de-carbonise the fleet with electric trucks and trucks using sustainable fuels for short and long-haul assignments. 125 electric trucks were ordered in Q4 2021, following the delivery of a first electric truck in August 2021. The remaining trucks will be taken into use in 2022 and 2023. Dialogues are ongoing with customers about deployment of the first electric trucks and other initiatives to ensure more sustainable supply chains.

**Social**

**Diversity & Inclusion**

In 2021, the land-based female ratio increased from 27% to 29%, and the sea-based female ratio increased from 15% to 17%. The female ratio for senior management and managers both increased 1 ppt to 17% and 14%, respectively.

We expect the land-based gender ratio will decrease from 29% in 2021 to 25% in 2022 following the acquisition of HSF Logistics Group. This is a consequence of the integration of companies from the historically male-dominant logistics industry. This increases the challenge of ensuring that attention to D&I is shared by new colleagues.

Several actions to improve diversity and inclusion were implemented in Q4 2021:

- D&I focal point of a case during selection of participants for Horizon, a 12-month talent development program
- Development of internal campaign to highlight zero tolerance policy towards harassment, bullying, and discrimination
- Education of Mental Health First Aid responders amongst employees in the UK and Ireland and wellbeing seminars for employees and managers held throughout the company.

**Revenue**

DKK m	Q4 2021	Q4 2020	Change, %	Change
Ferry Division*	3,223	2,540	26.9	682
Logistics Division*	2,541	1,444	76.0	1,098
Non-allocated items	129	106	22.5	24
Eliminations	-411	-328	-25.3	-83
<b>DFDS Group</b>	<b>5,482</b>	<b>3,761</b>	<b>45.7</b>	<b>1,721</b>

\*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.

**Safety**

The lost-time injury frequency (LTIF) for land-based operations increased in Q4 2021 compared to Q4 2020, driven by more incidents in terminals but also due to an increased focus on reporting of incidents. LTIF in the Logistics Division improved during Q4 2021 compared to Q4 2020.

The Q4 LTIF for sea-based operations was on par with Q4 2020 and below the full-year average. The Health & Safety (H&S) organisation, strengthened with the appointment of a new Global Director for land-based H&S, will in 2022 focus on improving employee awareness of H&S issues and enforce additional preventive actions.. Furthermore, HSF Logistics Group entities will be integrated and DFDS' H&S practices will be adopted.

**Governance**

**New DFDS Data Ethics policy launched**

We are committed to ensuring that employees, customers, and business partners can entrust us with their data. Our Data Ethics policy was approved by the Board of Directors in Q4 and sets a vision for working with data in an ethical

manner. It is based on three principles: Security, Confidentiality, and Integrity.

**Responsible Procurement Program launched**

The work to ensure sustainable supply chains continues: in Q4 2021, a Responsible Procurement Program was launched. The program consolidates a range of existing and new tools such as the Supplier Code of Conduct, ESG performance, and risk assessments for suppliers, and tools to measure scope 3 emissions in supply chains. The goal is to increase transparency throughout supply chains and ensure that collaboration with major suppliers is aligned with our ESG framework.

**Financial performance**

**Revenue**

The Group's Q4 revenue was DKK 5,482m, an increase of 45.7% compared to 2020.

The Group's full-year revenue was DKK 17,869m, an increase of 27.9% compared to 2020.

Ferry Division's Q4 revenue increased 26.9% to DKK 3,223m despite 8.2% lower freight volumes as stockbuilding ahead of Brexit boosted volumes in Q4 2020. The lower revenue from volumes was however more than offset by the launch of two new freight routes connecting Ireland-France and Turkey-Spain, respectively, and a considerable increase in revenue from bunker surcharges due to a higher oil price. The latter equalled 12 ppt of the revenue growth. In addition, passenger revenue more than doubled, albeit from a low level, as more passengers travelled between Norway and Denmark and duty-free sales on UK routes increased.

Logistics Division's Q4 revenue increased 76.0% to DKK 2,541m mainly due to the acquisition of HSF Logistics Group. Moreover, unit revenue increased to cover rising carrier costs and customs clearance activities also increased revenue.

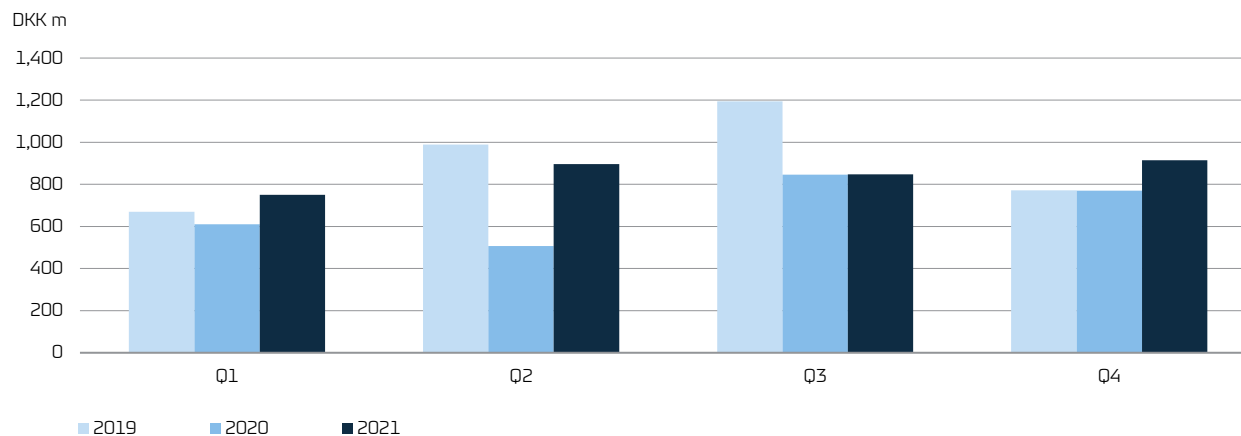
### Operating profit before depreciation (EBITDA) and special items

The Group's Q4 EBITDA increased 19% to of DKK 915m driven by higher earnings in both divisions.

The Group's full-year EBITDA increased 25% to DKK 3,411m likewise driven by higher earnings in both divisions.

Ferry Division's Q4 EBITDA increased 11% to DKK 741m. The EBITDA for freight ferry activities of DKK 772m was on level with 2020 as new routes and higher earnings in Mediterranean offset lower earnings in North Sea and Channel that last year were boosted by the UK

### DFDS GROUP - EBITDA BEFORE SPECIAL ITEMS



### Operating profit before depreciation (EBITDA) & special items

DKK m	Q4 2021	Q4 2020	Change, %	Change
Ferry Division*	741	668	10.9	73
Logistics Division*	211	123	71.9	88
Non-allocated items	-37	-21	-71.6	-15
<b>DFDS Group</b>	<b>915</b>	<b>769</b>	<b>18.9</b>	<b>146</b>
EBITDA-margin, %	16.7	20.5	-18.4	-3.8

\* 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.

### Associates and joint ventures, profits on disposals and depreciation

DKK m	Q4 2021	Q4 2020	Change, %	Change
EBITDA before special items	915	769	18.9	146
Associates and joint ventures	-4	0	N/A	-4
Profit on disposals	-1	0	205.7	0
Depreciation and impairment	-602	-480	-25.3	-121
<b>EBIT before special items</b>	<b>309</b>	<b>289</b>	<b>6.8</b>	<b>20</b>

### Financial items

DKK m	Q4 2021	Q4 2020	Change, %	Change
Interests, net	-73	-72	0.0	0
Foreign exchange gains/losses, net	24	-18	-229.3	42
Other items, net	-5	-5	-7.2	0
<b>Total finance, net</b>	<b>-54</b>	<b>-95</b>	<b>43.8</b>	<b>42</b>



Ferry Division's Q4 revenue increased 26.9% to DKK 3,223m despite 8.2% lower freight volumes as stockbuilding ahead of Brexit boosted volumes in Q4 2020. The lower revenue from volumes was however more than offset by the launch of two new freight routes connecting Ireland-France and Turkey-Spain, respectively, and a considerable increase in revenue from bunker surcharges due to a higher oil price. The latter equalled 12 ppt of the revenue growth. In addition, passenger revenue more than doubled, albeit from a low level, as more passengers travelled between Norway and Denmark and duty-free sales on UK routes increased.

Logistics Division's Q4 revenue increased 76.0% to DKK 2,541m mainly due to the acquisition of HSF Logistics Group. Moreover, unit revenue increased to cover rising carrier costs and customs clearance activities also increased revenue.

#### **Operating profit before depreciation (EBITDA) and special items**

The Group's Q4 EBITDA increased 19% to of DKK 915m driven by higher earnings in both divisions.

The Group's full-year EBITDA increased 25% to DKK 3,411m likewise driven by higher earnings in both divisions.

Ferry Division's Q4 EBITDA increased 11% to DKK 741m. The EBITDA for freight ferry activities of DKK 772m was on level with 2020 as new routes and higher earnings in Mediterranean offset lower earnings in North Sea and Channel that last year were boosted by the UK

stockbuilding ahead of Brexit. The EBITDA for the passenger activities improved DKK 67m to DKK -30m but remained overall severely reduced by travel restrictions in Q4 2021.

Logistics Division's Q4 EBITDA increased 72% to DKK 211m driven by the acquisition of HSF Logistics Group. In the existing business, most contract logistics activities increased earnings due to high demand for solutions while the earnings of the forwarding activities were reduced by lags in the cost coverage of rising carrier costs.

#### **Depreciation and operating profit (EBIT) before special items**

Depreciation in Q4 of DKK 602m increased 25% compared to 2020, due partly to depreciation on additional chartered freight ferries deployed on new routes, and partly to the acquisition of HSF Logistics Group.

Depreciation for the full-year 2021 of DKK 2,087m increased 11% compared to 2020.

The Group's Q4 EBIT before special items increased 7% to DKK 309m. For the full-year 2021, EBIT before special items increased 53% or DKK 455m to DKK 1,313m.

#### **Special items and operating profit (EBIT) after special items**

In Q4 2021, special items were a net income of DKK 4m as accounting gains from asset sales and sale of a minority shareholding were offset by restructuring provisions.

For the full-year 2021, special items were a net income of DKK 34m.

The Group's Q4 EBIT after special items increased 63% to DKK 313m due to a positive variance of DKK 101m for special items as Q4 2020 included significant one-off costs. For the full-year 2021, EBIT after special items increased DKK 607m or 82% to DKK 1,348m.

#### **Financial items**

Total finance, net in Q4 was a cost of DKK 54m, a decrease of DKK 42m compared to Q4 2020. The net interest cost was on level with 2020 while the variance for net currency adjustments was positive by DKK 42m. The latter variance was due to a net gain of DKK 24m in Q4 2021, mainly related to TRY, while currency adjustments were a net loss in 2020.

Total finance, net for the full-year 2021 was a cost of DKK 278m which was on level with 2020.

#### **Profit before special items and tax**

The Q4 profit before special items and tax increased 32% to DKK 255m, and the profit for the period of DKK 256m was 135% above 2020.

For full-year 2021, the profit before special items and tax increased 77% to DKK 1,035m and the profit for the period was DKK 976m.

#### **Earnings per share**

Q4 earnings per share (EPS) of DKK 4.39 was 137% higher than in Q4 2020. For the full-year 2021, earnings per

share (EPS) increased 121% to DKK 16.69 from DKK 7.56 in 2020.

### Cash flow and investments

The Q4 cash flow from operating activities increased 6% to DKK 843m, including a negative cash flow impact of DKK 94m from an increase in working capital partly due to the acquisition of HSF Logistics Group.

Net investments in Q4 were a negative cash flow of DKK 1,594m, including a second and final payment of DKK 789m for the acquisition of HSF Logistics Group. The remaining investments of DKK 805m included DKK 616m of ferry investments, of which DKK 395m was new-buildings, and DKK 99m in proceeds from sale of a ferries. In addition, DKK 280m was invested in port terminals and cargo carrying equipment, including tug-masters, trailers, and containers.

The Q4 free cash flow (FCFF) was DKK -744m and DKK -1,018m adjusted for payment of lease liabilities including interest.

The Q4 cash flow from financing activities was positive by DKK 319m. This included a net cash inflow from loans of DKK 561m and payment of lease liabilities of DKK 242m. The Q4 net cash flow was negative by DKK 487m, and cash and cash equivalents thus decreased to DKK 902m at the end of Q4.

For the full-year 2021, the cash flow from operating activities was DKK 3.5bn and the free cash flow (FCFF) before acquisitions was DKK 2.0bn and DKK 1.1bn

adjusted for payment of lease liabilities including interest. Net investments in 2021 were a negative cash flow of DKK 3.2bn that included acquisitions of DKK 1.8bn. The cash flow from financing activities was negative by DKK 359m and the net cash flow for 2021 was negative by DKK 360m.

### Invested capital and ROIC

Invested capital increased 15% to DKK 25.4bn at the end of Q4 2021 compared to the same period in 2020. The increase was mostly due to the addition of the invested capital from the acquisition of HSF Logistics Group. The average invested capital for the full-year 2021 increased 4% compared to 2020.

The return on invested capital, ROIC, for Q4 2021 (last twelve months) improved to 5.2% before special items compared to 3.5% for 2020.

### Capital structure

At the end of Q4 2021 net-interest-bearing debt (NIBD) was DKK 13.5bn, an increase of 19% compared to the end of Q4 2020. The increase was primarily due to the acquisition of HSF Logistics Group. Financial leverage, as measured by the ratio of NIBD to EBITDA before special items, was a ratio of 3.7 compared to 4.2 at year-end 2020. The ratio for 2021 includes a pro forma EBITDA for the last twelve months for HSF Logistics Group.

### Equity

Equity amounted to DKK 11,554m at the end of Q4 2021, including non-controlling interests of DKK 108m. This was an increase of 9% compared to the end of Q4 2020. Total

comprehensive income for Q4 2021 was DKK 332m. There were no material transactions with owners in Q4 2021.

The equity ratio was 38% at the end of Q4 2021 compared to 39% at the end of Q4 2020. The decrease was due to the consolidation of HSF Logistics Group.

## Outlook 2022

The outlook for 2022 builds on multiple assumptions that may change significantly as the year progresses.

Visibility continues to be reduced by Covid-19, particularly with regard to its effect on European passenger ferry markets.

### General market growth prospects

The current consensus outlook for GDP-growth in 2022 (Gross Domestic Product) for Europe and Turkey is 4.0% and 3.5%, respectively (Source: Thomson Reuters). Turkey's export to Europe benefited from the depreciation of TRY vs EUR in 2021 and this trend is expected to continue in 2022. Inflation is expected to be elevated in 2022 and this is likely to increase the imbalance between Turkey's export and import growth. Geopolitical risks related to Turkey could dampen the expected growth, both short and long-term.

### Key freight outlook assumptions for 2022

Freight volumes are expected to grow in most of our markets in 2022.

The North Sea and Channel ferry business units as well as the Logistics Division have a high share of activities linked to the UK. Freight volumes linked to the UK market are expected to grow in 2022 following the slowdown in 2021, especially across the Channel.

The UK freight market will in 2022 still be in a transition phase as final implementation of the Brexit trade agreement is completed in steps during 2022.

The entry of a third ferry operator on the Dover Strait creates considerable overcapacity in the market, especially since freight volumes have declined since 2019. The overcapacity is likely to increase price pressure in the market and reduce incumbents' market share.

The Mediterranean business unit is expected to benefit in 2022 from continued growth in Turkish export volumes supported by capacity expansion and further optimisation of operations.

Ferry and logistics volumes are expected to continue to grow in the Baltic region. Additional freight ferry capacity has been attracted in recent years and capacity growth is expected to exceed market growth in 2022. Our deployment of two new combined freight and passenger ferries is expected to strengthen the customer offering in 2022.

The Logistics Division's revenue and earnings are expected to grow significantly in 2022, primarily due to the full-year impact of the HSF Logistics Group acquired with effect from 14 September 2021. Margins for both the Dry

## OUTLOOK 2022

DKK m	Outlook 2022	2021
Revenue growth	23-27%	17,869
EBITDA before special items	3,900-4,400	3,411
Per division:		
Ferry Division	3,050-3,450	2,852
Logistics Division	900-1,000	593
Non-allocated items	-50	-35
Investments	-2,300	-3,210
Types:		
Operating	-1,400	-975
Ferries: sale & purchase and new-buildings	-800	-490
Acquisitions	-100	-1,745

and Cold Chain forwarding and logistics activities are expected to improve in 2022, partly due to a higher level of cost coverage.

Freight flows may also in 2022 be impacted by supply chain bottlenecks, although it is anticipated that such impacts will be less severe than in 2021.

In February 2022, the EU Mobility Package comes into effect concerning alignment of minimum wages for truck drivers across member states, return of trucks to country of origin, and cabotage rules. DFDS is well prepared to comply with the new rules. The package is expected to entail a general cost increase for haulage services.

### Key passenger outlook assumptions for 2022

The EBITDA for passenger services across business units - Passenger, Channel and Baltic Sea - was reduced by around DKK 1bn in 2020 compared to 2019, and remained

on level with 2020 in 2021. This was a consequence of the travel restrictions that were imposed to limit the spread of Covid-19.

The outlook initially assumes that around 50% of the EBITDA decrease of the two previous years is regained in 2022. The current most likely scenario is that travel restrictions will continue to limit travel in Q1 2022 while subsequent easings of restrictions and a gradual return to historic travel patterns are expected to increase the number of passengers compared to 2021. The number of passengers in 2021 was 83% below the pre-Covid-19 level in 2019.

The entry of a third ferry operator on the Dover Strait creates considerable overcapacity in the market. The overcapacity is likely to increase price pressure in the market and reduce incumbents' market share. Duty-free sales are expected to mitigate these effects somewhat.

The high season for ferry travel is Q3 and the outlook is thus especially sensitive to the scope of travel restrictions in this quarter.

### Revenue outlook

The Group's revenue is expected to increase by 23-27% compared to 2021.

The two main growth drivers are the full-year impact of the acquisition of the HSF Logistics Group, and the assumed recovery in passenger volumes. In addition, freight volumes are expected to grow in most markets in 2022.

### Earnings outlook

Based on the above assumptions, the Group's EBITDA before special items is expected to be within a range of DKK 3.9-4.4bn (2021: DKK 3.4bn). See outlook table for divisional split.

### Investments

Investments of around DKK 2.3bn are expected in 2022:

- One combined freight and passenger ferry new building and exercise of a purchase option to buy one freight ferry: DKK 800m
- Dockings and ferry upgrades, including energy efficiency projects: DKK 600m
- Port terminals and other equipment: DKK 300m
- Cargo carrying equipment and warehouses, mainly related to Logistics Division: DKK 400m

- Other investments, including digital and the acquisition of ICT Logistics completed in January 2022: DKK 200m.

### Capital structure

The financial leverage, as measured by the ratio between NIBD and EBITDA, is expected to decrease from 3.7 at year-end 2021 towards the target range of 2.0-3.0 by year-end 2022. This includes payment of dividend as proposed on page 6.

## Various risks and uncertainties pertain to the outlook

The most important among these are possible major changes in the demand for ferry services – for freight and passengers - and logistics solutions.

Such demand is to a large extent linked to the level of economic activity and trade 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, supply chain disruptions, and extraordinary events such as virus outbreaks. Covid-19 continues to constitute a significant risk, particularly for the passenger ferry services.

The outlook can moreover be impacted by political changes, first and foremost within the 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 on trade constitutes an important risk.

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

Future financial results may therefore differ significantly from the outlook expectations.



### **Baltic Sea route network boosted by new ferries**

The freight capacity and passenger experience will be boosted by deployment of two ferry new-buildings in 2022. The first ferry, Aura Seaways, is here on her way from China to the Baltic Sea where she was deployed on the Karlshamn-Klaipeda route in late January 2022.

# Ferry Division

## The division is organised in five business units:

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

## Q4 market, activity and result trends

Total Q4 freight volumes decreased 8.2% compared to 2020 and increased 4.1% compared to 2019. The decrease compared to 2020 was due to 15.1% lower volumes on all UK routes following stockbuilding ahead of Brexit that boosted volumes in Q4 2020.

Total Q4 passenger volumes increased 55.1% compared to 2020 and decreased 70.8% compared to 2019.

### North Sea

Q4 freight volumes were down 8.5% due to lower volumes on all UK routes as stockbuilding ahead of Brexit boosted volumes in Q4 2020. Volumes between Sweden and Belgium were above last year. The supply chain bottlenecks that impacted operations in Q3, especially UK

## Ferry Division

DKK m	2021				2021 Full year	2020*				2020* Full year
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	
Revenue	2,594	2,960	3,029	3,223	11,806	2,628	1,808	2,469	2,540	9,445
EBITDA before special items	641	766	704	741	2,852	525	392	730	668	2,315
Share of profit/loss of associates and joint ventures	-3	-2	-3	-4	-13	-2	-2	-2	0	-5
Profit/loss on disposal of non-current assets, net	1	0	1	2	4	0	0	1	0	1
Depreciation and impairment	-387	-420	-422	-455	-1,684	-386	-368	-366	-390	-1,509
EBIT before special items	251	343	281	284	1,160	137	23	363	278	802
EBIT margin before special items, %	9.7	11.6	9.3	8.8	9.8	5.2	1.3	14.7	11.0	8.5
Special items, net	0	20	0	-8	12	0	79	-72	-105	-98
EBIT	251	364	281	277	1,172	137	102	291	173	703
Invested capital, average	20,299	20,668	20,539	20,371	20,442	20,214	20,235	20,275	20,259	20,222
ROIC before special items, %	-	-	-	-	5.3	-	-	-	-	3.8
Average number of employees	-	-	-	-	5,381	-	-	-	-	5,452
Lane metres, '000	10,246	11,078	10,602	11,085	43,011	10,079	8,394	10,529	11,883	40,886
Tons, '000	167	147	162	157	633	194	166	138	166	664
Passengers, '000	83	109	388	289	869	579	152	578	186	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.

routes, eased through the quarter and operations were normalised at the end of the quarter.

Q4 EBITDA of DKK 325m was 5% lower than in 2020 due to the extra volumes transported in 2020 as part of the UK stockbuilding.

### Mediterranean

Q4 freight volumes increased 6.4% adjusted for the opening of a new route between Turkey and Spain. The increase reflects continued growth in Turkish exports to Europe supported by depreciation of the Turkish lira. The route network capacity was expanded with one ferry in

the quarter to accommodate the growth, especially between Italy and Turkey.

Q4 EBITDA increased 29% to DKK 297m driven by the higher volumes as well as improved results for the port terminal and rail activities.

### Channel

Q4 freight volumes were 16.8% below 2020 adjusted for the new route between Ireland and France launched on 2 January 2021. The volume decrease versus Q4 2020 mainly reflects the boost from stockbuilding ahead of Brexit in the UK last year. Volumes carried by the new

route between Ireland and France remained high in the quarter.

Q4 passenger volumes were up 9.4% as travel restrictions, including testing requirements, remained in place through most of the quarter. Duty-free sales increased mainly due to higher spend from truck drivers. A new border shop in the port of Calais was opened in the quarter.

Q4 EBITDA decreased 21% to DKK 102m due to the drop in freight volumes on the English Channel routes as well as higher operating costs. This was partly offset by earnings from the new route and a higher result for passenger services.

### **Baltic Sea**

Q4 freight volumes were down 3.5% as capacity between Sweden and Estonia was reduced from two ferries in 2020 to one ferry in this quarter. Volumes were otherwise above last year in the rest of the route network.

Passenger volumes were 13.7% below 2020 due to capacity reduction between Sweden and Estonia.

Q4 EBITDA of DKK 80m was on level with 2020 as the lower freight and passenger volumes were offset by lower ferry operating costs.

### **Passenger**

Passenger volumes increased to 118k from 21k in Q4 2020. The increase was mainly driven by more passengers between Norway and Denmark, partly due to fewer departures in 2020, and partly due to easing of travel

restrictions in the quarter. The number of passengers between the UK and the Netherlands was still at a very low level due to more severe travel restrictions.

Q4 EBITDA increased DKK 56m to DKK -87m following the uplift in activity between Norway and Denmark.

### **Non-allocated items**

These items primarily include external charter activities. Q4 EBITDA decreased 18% to DKK 25m.

## Ferry Division

DKK m	2021				2021 Full year	2020				2020 Full year
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	
<b>North Sea*</b>										
Revenue	971	1,117	991	1,081	4,161	944	707	816	953	3,420
EBITDA before special items	301	378	284	325	1,287	291	252	282	342	1,168
EBIT before special items	150	229	142	169	690	145	122	154	190	610
Invested capital	6,762	6,811	6,253	5,930	6,362	5,931	5,964	5,856	6,054	5,951
ROIC before special items, %	-	-	-	-	10.6	-	-	-	-	10.1
Lane metres freight, '000	3,358	3,609	3,362	3,439	13,769	3,350	2,657	3,264	3,758	13,028
Tons, '000	167	147	162	157	633	194	166	138	166	664
<b>Mediterranean</b>										
Revenue	670	743	740	841	2,993	581	331	529	631	2,071
EBITDA before special items	248	257	276	297	1,078	147	66	188	230	631
EBIT before special items	155	154	160	166	635	55	-26	90	126	245
Invested capital	9,558	9,408	9,182	9,192	9,375	9,858	9,910	9,798	9,535	9,787
ROIC before special items, %	-	-	-	-	6.3	-	-	-	-	2.4
Lane metres freight, '000	1,191	1,265	1,229	1,349	5,034	1,087	696	1,045	1,206	4,034
<b>Channel</b>										
Revenue	568	643	681	728	2,619	512	361	573	566	2,012
EBITDA before special items	74	104	78	102	358	39	32	135	129	334
EBIT before special items	-16	7	-18	10	-16	-22	-27	73	67	91
Invested capital	1,701	2,250	2,133	2,040	1,939	1,811	1,779	1,677	1,573	1,713
ROIC before special items, %	-	-	-	-	-1.2	-	-	-	-	5.2
Lane metres freight, '000	4,531	4,923	4,767	5,094	19,316	4,404	3,939	5,016	5,672	19,031
Passengers, '000	38	50	224	130	441	367	98	406	119	989
<b>Baltic Sea</b>										
Revenue	306	361	382	333	1,381	323	307	327	310	1,268
EBITDA before special items	83	111	118	80	391	97	119	138	80	434
EBIT before special items	51	68	80	26	226	57	78	95	39	268
Invested capital	1,525	1,320	1,689	1,620	1,600	1,712	1,642	1,646	1,844	1,625
ROIC before special items, %	-	-	-	-	14.0	-	-	-	-	16.4
Lane metres freight, '000	1,104	1,199	1,108	1,056	4,467	1,140	1,100	1,099	1,094	4,434
Passengers, '000	40	53	79	41	214	39	54	69	47	209
<b>Passenger</b>										
Revenue	31	40	184	208	463	209	27	190	62	489
EBITDA before special items	-100	-120	-85	-87	-392	-87	-101	-42	-143	-373
EBIT before special items	-124	-147	-109	-108	-488	-130	-146	-75	-172	-524
Invested capital	629	731	751	699	677	871	673	634	575	722
ROIC before special items, %	-	-	-	-	-72.6	-	-	-	-	-73.1
Lane metres freight, '000	61	82	136	147	425	99	2	104	154	359
Passengers, '000	5	6	84	118	214	173	3	104	21	300
<b>Non-allocated items</b>										
Revenue	86	102	105	164	456	102	111	91	132	436
EBITDA before special items	36	36	34	25	131	39	24	28	31	122
EBIT before special items	35	33	25	22	115	32	23	27	29	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 two business units:

- Dry Goods
- Cold Chain

## Q4 market, activity and result trends

Total Q4 logistics volumes increased 3.2% compared to 2020, excluding HSF Logistics Group.

HSF Logistics Group was consolidated from 14 September in the Cold Chain business unit. Volume figures are not reported for HSF Logistics Group in 2021.

The Logistics Division has been reorganised in two business units: Dry Goods and Cold Chain. The Cold Chain activities embedded in DFDS' three former business units – Nordic, Continent and UK & Ireland – were merged with the HSF Logistics Group to form the Cold Chain business unit. The remaining activities of the former business units are organised in Dry Goods. Comparative figures for the new business units have been restated accordingly.

### Dry Goods

The number of units transported in Q4 decreased 1.5%. Forwarding volumes between the UK and Scandinavia/

## Logistics Division

DKK m	2021				2021 Full year	2020*				2020* Full year
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	
Revenue	1,426	1,554	1,633	2,541	7,155	1,394	1,147	1,316	1,444	5,301
EBITDA before special items	101	126	155	211	593	95	95	150	123	462
Profit/loss on disposal of non-current assets, net	0	1	0	-2	-1	2	2	0	0	3
Depreciation and impairment	-62	-61	-73	-127	-322	-74	-74	-74	-70	-292
EBIT before special items	39	66	83	81	269	22	22	76	52	173
EBIT margin before special items, %	2.7	4.2	5.1	3.2	3.8	1.6	1.9	5.8	3.6	3.3
Special items, net	0	-19	25	-4	2	0	-4	-7	-1	-12
EBIT	39	47	109	77	271	22	18	69	51	161
Invested capital, average**	1,469	1,497	2,720	4,091	2,520	1,737	1,727	1,584	1,465	1,613
ROIC before special items, %	-	-	-	-	8.6	-	-	-	-	8.5
Average number of employees	-	-	-	-	2,774	-	-	-	-	2,112
Units, '000	132	141	136	135	544	136	114	134	142	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.

\*\* Increase in invested capital in Q3 and Q4 2021 is impacted by acquisition of HSF Group.

Continent were below Q4 2020 due to the stockbuilding last year ahead of Brexit. This was partly offset by higher volumes between the UK and Northern Ireland as well as an increase in Irish volumes. The demand for contract logistics solutions was robust, although some automotive flows were reduced by supply chain bottlenecks.

Q4 EBITDA decreased 23% to DKK 66m due to lower earnings for the forwarding activities. This was mostly due to lags in cost coverage of rising carrier costs and imbalances in some traffics, partly caused by disruptions of customer production flows. The result for contract logistics and specialised transport solutions were above 2020.

### Cold Chain

The number of units transported in Q4 decreased 10.1%, excluding HSF Logistics Group, due to lower activity levels in both UK and continental operations. This was due to lower aquaculture harvesting in Scotland, less demand for UK exports, as well as negative impacts from Covid-19 in both demand and supply chains. The latter especially impacted the distribution centres in the Netherlands. The Scandinavia forwarding and domestic distribution activities were negatively impacted by truck driver shortages in the quarter.

Q4 EBITDA increased from DKK 37m in Q4 2020 to DKK 145m in Q4 2021 mainly driven by the addition of HSF Logistics Group.

**Logistics Division**

DKK m	2021				2021 Full year	2020				2020 Full year
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	
<b>Dry Goods</b>										
Revenue	1,208	1,297	1,254	1,407	5,166	1,155	960	1,066	1,201	4,381
EBITDA before special items	70	83	93	66	312	64	57	95	86	301
EBIT before special items	23	38	44	20	125	14	7	46	36	103
Invested capital	1,038	989	922	1,103	1,009	1,262	1,167	1,033	991	1,125
ROIC before special items, %	-	-	-	-	9.8	-	-	-	-	7.5
Units, '000	79.0	85.1	77.9	83.4	325.4	77.3	62.3	75.2	84.6	299.4
<b>Cold Chain</b>										
Revenue	359	407	544	1,360	2,669	361	313	368	358	1,400
EBITDA before special items	31	43	63	145	281	31	38	55	37	161
EBIT before special items	16	28	39	62	145	8	16	30	15	70
Invested capital*	475	492	3,037	3,122	1,512	528	495	472	434	488
ROIC before special items, %	-	-	-	-	7.7	-	-	-	-	10.9
Units, '000**	53.5	56.2	57.7	51.5	218.9	58.8	51.4	58.3	57.3	225.8

\* The quarterly invested capital is shown as per the end of the period. For the full-year, the invested capital is shown as an average.  
In Q3 2021, Cold Chain's invested capital includes HSF Logistics Group.

\*\* Unit volumes for HSF Logistics Group are not included.

# 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 – 31 December 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 31 December 2021 and of the results of the DFDS Group's operations and cash flow for the period 1 January – 31 December 2021.

Further, in our opinion, the Management review p. 2-18 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, 8 February 2022



**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, Jill Lauritzen Melby,  
Jesper Hartvig Nielsen, Lars Skindrud-Hansen, Dirk Reich

## DFDS Group Income statement

DKK m	Note	2021 Q4	2020 Q4	2021 Full year	2020 Full year
Revenue	3	5,482	3,761	17,869	13,971
<b>Costs</b>					
Ferry and other ship operation and maintenance		-1,363	-675	-3,880	-2,569
Freight handling		-681	-662	-2,598	-2,383
Transport solutions		-1,258	-815	-3,893	-2,905
Employee costs		-1,079	-719	-3,444	-2,862
Costs of sales and administration		-185	-120	-643	-520
<b>Operating profit before depreciation (EBITDA) and special items</b>		<b>915</b>	<b>769</b>	<b>3,411</b>	<b>2,732</b>
Share of profit/loss of associates and joint ventures		-4	0	-13	-5
Profit/loss on disposal of non-current assets, net		-1	0	2	5
Depreciation, ferries and other ships		-358	-291	-1,322	-1,153
Depreciation, other non-current assets		-244	-190	-766	-721
<b>Operating profit (EBIT) before special items</b>		<b>309</b>	<b>289</b>	<b>1,313</b>	<b>858</b>
Special items, net	4	4	-97	34	-117
<b>Operating profit (EBIT)</b>		<b>313</b>	<b>192</b>	<b>1,348</b>	<b>741</b>
Financial income		23	1	29	5
Financial costs		-77	-97	-307	-280
<b>Profit before tax</b>		<b>259</b>	<b>97</b>	<b>1,069</b>	<b>466</b>
Tax on profit		-4	12	-94	-24
<b>Profit for the period</b>		<b>256</b>	<b>109</b>	<b>976</b>	<b>442</b>
Attributable to:					
Equity holders of DFDS A/S		252	106	958	433
Non-controlling interests		4	2	18	9
<b>Profit for the period</b>		<b>256</b>	<b>109</b>	<b>976</b>	<b>442</b>
<b>Earnings per share</b>					
Basic earnings per share (EPS) of DKK 20, DKK		4.39	1.85	16.69	7.56
Diluted earnings per share (EPS-D) of DKK 20, DKK		4.38	1.85	16.67	7.56

## DFDS Group – Statement of Comprehensive income

DKK m	2021 Q4	2020 Q4	2021 Full year	2020 Full year
Profit for the period	256	109	976	442
<b>Other comprehensive income</b>				
Items that will not be reclassified subsequently to the Income statement:				
Remeasurement of defined benefit pension obligations	140	-29	140	-59
Tax on items that will not be reclassified to the Income statement	-25	-	-25	-
<b>Items that will not be reclassified subsequently to the Income statement</b>	<b>115</b>	<b>-29</b>	<b>115</b>	<b>-59</b>
Items that are or may be reclassified subsequently to the Income statement:				
Value adjustment of hedging instruments:				
Value adjustment for the period	8	-73	42	-103
Value adjustment transferred to operating costs	-20	0	-56	6
Value adjustment transferred to financial costs	3	4	1	17
Value adjustment transferred to non-current tangible assets	-43	-7	-139	-38
Tax on items that may be reclassified to the Income statement	1	4	-1	9
Foreign exchange adjustments, subsidiaries	12	71	28	-37
<b>Items that are or may be reclassified subsequently to the Income statement</b>	<b>-39</b>	<b>-1</b>	<b>-124</b>	<b>-147</b>
<b>Total other comprehensive income after tax</b>	<b>76</b>	<b>-30</b>	<b>-9</b>	<b>-206</b>
<b>Total comprehensive income</b>	<b>332</b>	<b>79</b>	<b>966</b>	<b>236</b>
<b>Attributable to:</b>				
Equity holders of DFDS A/S	329	76	950	227
Non-controlling interests	3	2	16	9
<b>Total comprehensive income</b>	<b>332</b>	<b>79</b>	<b>966</b>	<b>236</b>

## DFDS Group - Balance sheet

### Assets

DKK m	2021 Full year	2020 Full year
Goodwill	4,280	3,434
Other non-current intangible assets	1,659	1,174
Software	298	239
Development projects in progress	14	55
<b>Non-current intangible assets</b>	<b>6,252</b>	<b>4,901</b>
Land and buildings	427	183
Terminals	718	720
Ferries and other ships	11,460	11,220
Equipment, etc.	1,289	723
Assets under construction and prepayments	1,368	887
Right-of-use assets	3,926	3,133
<b>Non-current tangible assets</b>	<b>19,188</b>	<b>16,867</b>
Investments in associates, joint ventures and securities	35	49
Receivables	16	17
Prepaid costs	222	337
Deferred tax	31	57
Pension assets	25	-
Derivative financial instruments	36	76
<b>Other non-current assets</b>	<b>366</b>	<b>536</b>
<b>Non-current assets</b>	<b>25,807</b>	<b>22,304</b>
Inventories	269	169
Trade receivables	2,772	2,014
Receivables from associates and joint ventures	26	28
Other receivables	624	589
Prepaid costs	299	309
Derivative financial instruments	22	149
Cash	902	1,261
<b>Current assets</b>	<b>4,914</b>	<b>4,520</b>
Assets classified as held for sale	-	182
<b>Total current assets</b>	<b>4,914</b>	<b>4,702</b>
<b>Assets</b>	<b>30,721</b>	<b>27,006</b>

## Equity and liabilities

DKK m	2021 Full year	2020 Full year
Share capital	1,173	1,173
Reserves	-396	-273
Retained earnings	10,435	9,611
Proposed dividends	235	-
<b>Equity attributable to equity holders of DFDS A/S</b>	<b>11,446</b>	<b>10,511</b>
Non-controlling interests	108	89
<b>Equity</b>	<b>11,554</b>	<b>10,600</b>
Interest-bearing liabilities	8,707	9,313
Lease liabilities	3,118	2,407
Deferred tax	366	217
Pension and jubilee liabilities	76	197
Other provisions	117	46
Derivative financial instruments	6	149
<b>Non-current liabilities</b>	<b>12,390</b>	<b>12,329</b>
Interest-bearing liabilities	1,791	415
Lease liabilities	721	519
Trade payables	3,119	2,090
Payables to associates and joint ventures	51	51
Other provisions	56	78
Corporation tax	113	61
Other payables	679	674
Derivative financial instruments	77	52
Prepayments	171	136
<b>Current liabilities</b>	<b>6,778</b>	<b>4,077</b>
<b>Liabilities</b>	<b>19,167</b>	<b>16,406</b>
<b>Equity and liabilities</b>	<b>30,721</b>	<b>27,006</b>

## DFDS Group - Statement of changes in equity 1 January - 31 December 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
<b>Comprehensive income for the period</b>									
Profit for the period					958		958	18	976
<b>Other comprehensive income</b>									
Items that will not be reclassified subsequently to the Income statement:									
Remeasurement of defined benefit pension obligations					141		141	-1	140
Tax on items that will not be reclassified to the Income statement					-25		-25	0	-25
<b>Items that will not subsequently be reclassified to the Income statement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>116</b>	<b>0</b>	<b>116</b>	<b>-1</b>	<b>115</b>
Items that are or may be reclassified subsequently to the Income statement:									
Value adjustment of hedging instruments for the period			42				42		42
Value adjustment transferred to operating costs			-56				-56		-56
Value adjustment transferred to financial costs			1				1		1
Value adjustment transferred to non-current tangible assets			-139				-139		-139
Tax on items that will be reclassified to the Income statement			0		-1		-1		-1
Foreign exchange adjustments, subsidiaries		28					28	0	28
<b>Items that are or may subsequently be reclassified to the Income statement</b>	<b>0</b>	<b>28</b>	<b>-151</b>	<b>0</b>	<b>-1</b>	<b>0</b>	<b>-124</b>	<b>0</b>	<b>-124</b>
<b>Total other comprehensive income after tax</b>	<b>0</b>	<b>28</b>	<b>-151</b>	<b>0</b>	<b>115</b>	<b>0</b>	<b>-8</b>	<b>-1</b>	<b>-9</b>
<b>Total comprehensive income</b>	<b>0</b>	<b>28</b>	<b>-151</b>	<b>0</b>	<b>1,073</b>	<b>0</b>	<b>950</b>	<b>16</b>	<b>966</b>
<b>Transactions with owners</b>									
Proposed dividend at year-end					-235	235	0		0
Addition regarding acquisition, non-controlling interests							0	2	2
Share-based payments					12		12		12
Purchase of treasury shares				-4	-71		-75		-75
Cash from sale of treasury shares related to exercise of share options				4	44		48		48
<b>Transactions with owners</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-249</b>	<b>235</b>	<b>-15</b>	<b>2</b>	<b>-12</b>
<b>Equity at 31 December 2021</b>	<b>1,173</b>	<b>-366</b>	<b>-5</b>	<b>-25</b>	<b>10,435</b>	<b>235</b>	<b>11,446</b>	<b>108</b>	<b>11,554</b>

## DFDS Group - Statement of changes in equity 1 January - 31 December 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
<b>Comprehensive income for the period</b>									
Profit for the period					433		433	9	442
<b>Other comprehensive income</b>									
Items that will not subsequently be reclassified to the income statement:									
Remeasurement of defined benefit pension obligations					-59		-59		-59
<b>Items that will not subsequently be reclassified to the Income statement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-59</b>	<b>0</b>	<b>-59</b>	<b>0</b>	<b>-59</b>
Items that are or may be reclassified subsequently to the Income statement:									
Value adjustment of hedging instruments for the period			-103				-103		-103
Value adjustment transferred to operating costs			6				6		6
Value adjustment transferred to financial costs			17				17		17
Value adjustment transferred to non-current tangible assets			-38				-38		-38
Tax on items that will be reclassified to the Income statement					9		9		9
Foreign exchange adjustments, subsidiaries		-37					-37	0	-37
<b>Items that are or may subsequently be reclassified to the Income statement</b>	<b>0</b>	<b>-37</b>	<b>-119</b>	<b>0</b>	<b>9</b>	<b>0</b>	<b>-147</b>	<b>0</b>	<b>-147</b>
<b>Total other comprehensive income after tax</b>	<b>0</b>	<b>-37</b>	<b>-119</b>	<b>0</b>	<b>-50</b>	<b>0</b>	<b>-206</b>	<b>0</b>	<b>-206</b>
<b>Total comprehensive income</b>	<b>0</b>	<b>-37</b>	<b>-119</b>	<b>0</b>	<b>383</b>	<b>0</b>	<b>227</b>	<b>9</b>	<b>236</b>
<b>Transactions with owners</b>									
Acquisition, non-controlling interests					0		0	-1	0
Cancellation of proposed dividend at year-end 2019*					235	-235	0		0
Share-based payments					5		5		5
Sale of treasury shares				0	2		2		2
Cash from sale of treasury shares related to exercise of share options				3	-2		1		1
<b>Transactions with owners</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>240</b>	<b>-235</b>	<b>8</b>	<b>-1</b>	<b>8</b>
<b>Equity at 31 December 2020</b>	<b>1,173</b>	<b>-394</b>	<b>147</b>	<b>-25</b>	<b>9,611</b>	<b>0</b>	<b>10,511</b>	<b>89</b>	<b>10,600</b>

\* 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 Q4	2020 Q4	2021 Full year	2020 Full year
<b>Operating profit before depreciation (EBITDA) and special items</b>	<b>915</b>	<b>769</b>	<b>3,411</b>	<b>2,732</b>
Cash flow effect from special items related to operating activities	-7	-22	-51	-125
Adjustments for non-cash operating items, etc.	40	27	62	45
Change in working capital	-94	30	148	148
Payment of pension liabilities and other provisions	-10	-8	-33	-31
<b>Cash flow from operating activities, gross</b>	<b>843</b>	<b>796</b>	<b>3,536</b>	<b>2,769</b>
Interest received, etc.	28	2	26	3
Interest paid, etc.	-90	-87	-302	-276
Taxes paid	7	1	-52	3
<b>Cash flow from operating activities, net</b>	<b>788</b>	<b>712</b>	<b>3,208</b>	<b>2,499</b>
Investments in ships including dockings, rebuildings, and ships under construction (incl. settlement of forward exchange contracts) related thereto*	-616	-169	-1,145	-1,422
Sale of ferries	99	0	99	202
Investments in other non-current tangible assets	-280	-28	-421	-195
Sale of other non-current tangible assets	13	4	64	27
Investments in non-current intangible assets	-24	-20	-62	-70
Acquisition of enterprises, associates, joint ventures, and activities	-803	0	-1,765	-14
Sale of shares in associated company	20	0	20	0
Other investing cash flows	-3	21	1	-146
<b>Cash flow to/from investing activities, net</b>	<b>-1,594</b>	<b>-192</b>	<b>-3,210</b>	<b>-1,618</b>
<b>Cash flow before financing activities, net</b>	<b>-806</b>	<b>520</b>	<b>-1</b>	<b>882</b>
Proceed from bank loans and loans secured by mortgage in ships	1,248	351	1,762	1,992
Repayment and instalments of bank loans and loans secured by mortgage in ships	-687	-146	-1,349	-1,791
Payment of lease liabilities	-242	-141	-834	-602
Settlement of forward exchange contracts related to leases	1	0	90	0
Proceeds from sale of treasury shares	0	2	0	2
Acquisition of treasury shares	0	0	-75	0
Cash received from exercise of share options	0	0	48	1
Other financing cash flows	0	-60	0	-60
<b>Cash flow to/from financing activities, net</b>	<b>319</b>	<b>6</b>	<b>-359</b>	<b>-458</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-487</b>	<b>527</b>	<b>-360</b>	<b>424</b>
Cash and cash equivalents at beginning of period	1,388	735	1,261	840
Foreign exchange and value adjustments of cash and cash equivalents	0	0	1	-2
<b>Cash and cash equivalents at end of period **</b>	<b>902</b>	<b>1,261</b>	<b>902</b>	<b>1,261</b>

\* The full year 2021 cash flow includes an amount of DKK 18.6m related to a net settlement of a vessel swap where DFDS buys a vessel of DKK 332.4m, sells a vessel of DKK 165.1m, and settles a loan receivable of DKK 148.7m.

\*\* At 31 December 2021 DKK 167m (31 December 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 Q4 2021 compared to year-end 2020, particularly related to passenger traffic which is still being impacted by travel restrictions. A review of significant accounting estimates did not give rise to a change in estimates.

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

Impairment testing is undertaken at year-end unless indications of impairment occur during the year. In Q4 2021 Management has revisited forecasts for all CGUs and concludes that no impairments nor reversals are necessary.

### 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. Remuneration and wage compensation amount to DKK 0m in Q4 2021 and DKK 55m for full-year 2021.

## Note 2 Segment Information

DKK m	Ferry Division	Logistics Division	Non- allocated	Total
<b>Full year 2021</b>				
External revenue	10,770	7,081	18	17,869
Intragroup revenue	1,036	74	508	1,618
Total revenue	11,806	7,155	526	19,487
<b>Operating profit (EBITDA) before special items</b>	<b>2,852</b>	<b>593</b>	<b>-34</b>	<b>3,411</b>
<b>Operating profit (EBIT) before special items</b>	<b>1,160</b>	<b>269</b>	<b>-116</b>	<b>1,313</b>
<b>Operating profit after special items (EBIT)</b>	<b>1,172</b>	<b>271</b>	<b>-96</b>	<b>1,348</b>
<b>Invested capital, average</b>	<b>20,442</b>	<b>2,520</b>	<b>361</b>	<b>23,324</b>

DKK m	Ferry Division*	Logistics Division*	Non- allocated	Total
<b>Full year 2020</b>				
External revenue	8,690	5,263	18	13,971
Intragroup revenue	755	39	474	1,268
Total revenue	9,445	5,301	491	15,238
<b>Operating profit (EBITDA) before special items</b>	<b>2,315</b>	<b>462</b>	<b>-45</b>	<b>2,732</b>
<b>Operating profit (EBIT) before special items</b>	<b>802</b>	<b>173</b>	<b>-117</b>	<b>858</b>
<b>Operating profit after special items (EBIT)</b>	<b>703</b>	<b>161</b>	<b>-124</b>	<b>741</b>
<b>Invested capital, average</b>	<b>20,222</b>	<b>1,613</b>	<b>665</b>	<b>22,500</b>

\* 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	Full year 2021			Total
	Ferry Division	Logistics Division	Non-allocated	
<b>Geographical markets</b>				
North Sea	3,849	-	0	3,849
Mediterranean	2,968	-	0	2,968
English Channel	2,603	-	0	2,603
Baltic Sea	1,350	-	0	1,350
Continent	-	3,156	0	3,156
Nordic	-	2,327	0	2,327
UK/Ireland	-	1,598	0	1,598
Other	0	0	18	18
<b>Total</b>	<b>10,770</b>	<b>7,081</b>	<b>18</b>	<b>17,869</b>
<b>Product and services</b>				
Seafreight and shipping logistics solutions	8,432	98	0	8,530
Transport solutions	24	6,778	0	6,802
Passenger seafare and on board sales	976	0	-1	976
Terminal services	851	6	0	856
Charters	311	0	0	311
Agency and other revenue	176	199	18	393
<b>Total</b>	<b>10,770</b>	<b>7,081</b>	<b>18</b>	<b>17,869</b>

DKK m	Full year 2020			Total
	Ferry Division	Logistics Division	Non-allocated	
<b>Geographical markets</b>				
North sea*	3,692	-	0	3,692
Mediterranean	2,052	-	0	2,052
English Channel	1,972	-	0	1,972
Baltic sea	1,207	-	0	1,207
Continent*	-	2,280	0	2,280
Nordic*	-	1,507	0	1,507
UK/Ireland*	-	1,243	0	1,243
Other	0	0	18	18
<b>Total</b>	<b>8,923</b>	<b>5,030</b>	<b>18</b>	<b>13,971</b>
<b>Product and services</b>				
Seafreight and shipping logistics solutions	6,750	0	0	6,750
Transport solutions*	24	4,980	0	5,005
Passenger seafare and on board sales	968	0	0	968
Terminal services*	664	2	0	667
Charters	317	0	0	317
Agency and other revenue*	199	47	17	264
<b>Total</b>	<b>8,923</b>	<b>5,030</b>	<b>18</b>	<b>13,971</b>

\* 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.

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 449m (2020: DKK 313m).

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 336m (2020: DKK 348m).

## Note 4 Special items

DKK m	2021 Full year	2020 Full year
Acquisition and integration costs relating to HSF Logistics Group	-29	-
Accounting gain on sale of Liverpool Seaways	-	110
Accounting gain on sale of Gothia Seaways	20	-
Accounting gain on sale of Calais Seaways	26	-
Accounting gain on sale of office and warehousing building in Belgium	31	-
Restructuring cost	-63	-102
Reversal of accrued cost related to Jubilee shares	4	4
Accounting gain related to disposal of associated companies	16	-
Impairment of a passenger ferry and a terminal in the business unit Passenger	-	-100
Reversal/Impairment of a freight ferry made in connection with reclassification from/to asset held for sale	29	-29
<b>Special items, net</b>	<b>34</b>	<b>-117</b>

## Note 5 Acquisition of enterprises and sale of activities

### 2021

#### HSF Acquisition

On 14th September 2021, the acquisition of the HSF Logistics Group was completed. HSF Logistics Group is one of Europe's leading cold chain logistics providers to meat producers and other food producers that operate temperature-controlled supply chains. The acquisition significantly strengthens DFDS' cold chain activities and the offering to cold chain logistics customers.

DFDS also acquired most of the existing minority shareholders and thus holds more than 99% of the ownership of the HSF Logistics Group as of 31 December 2021.

The total acquisition price was DKK 1,755m (including DKK 58m related to minority shareholders) of which DKK 966m was paid in cash in September and DKK 789m was paid in cash in October. Cash in the acquired company amounted to DKK 4m. Accordingly the liquidity effect was DKK 1,751m.

HSF Logistics Group revenue included in the 2021 reporting is DKK 1.0bn and EBITDA of DKK 120m. If the transaction had been completed as of 1st January 2021 revenue from 1

January to 31 December 2021 is estimated to have been DKK 3.3bn and EBITDA of DKK 368m. The Group has elected to measure the non-controlling interests in the acquiree at their proportionate share of the acquired net assets. Acquisition and integration costs amounts to DKK 29m which are included under special items. The preliminary purchase price allocation shows the following:

DKK m	Preliminary fair value at acquisition date
Non-current intangible assets	619
Land and buildings	281
Equipment etc.	884
Deferred tax	2
Non-current assets	1,786
Inventories	17
Trade receivables including work in progress services	403
Other receivables	74
Cash at hand and in bank	4
Current assets	498
<b>Total assets</b>	<b>2,285</b>
Deferred tax	155
Interest bearing debt	413
Non-current liabilities	568
Trade payables	322
Interest bearing debt	297
Other current liabilities	97
Current liabilities	716
<b>Total liabilities</b>	<b>1,284</b>
Non-controlling interests' share of acquired net assets	2
<b>Fair value of acquired net assets</b>	<b>999</b>
Total purchase price	
Cash consideration	1,755
<b>Fair value of the purchase price</b>	<b>1,755</b>
<b>Goodwill at acquisition</b>	<b>756</b>

The above purchase price allocation is preliminary and can be subject to adjustments.

In connection with the acquisition DFDS has measured identifiable intangible assets i.e. customer relationships etc. which are recognised in the acquisition balance sheet at their fair value. The fair value is calculated to DKK 538m at acquisition date.

Following recognition of acquired identifiable assets and liabilities at their fair value, the goodwill related to the acquisition is measured at DKK 756m. The goodwill represents primarily the value of the staff and know-how taken over; expected synergies from combining the acquired Group with the existing DFDS activities and network. The goodwill is not deductible for tax purposes.

### 2021 Insignificant acquisitions

In October 2021 the acquisition of the Swedish haulier GA Åkerierna AB headquartered in Hjulteby was completed in an asset transfer agreement and DFDS Group obtained control. DFDS paid DKK 14m for the acquired activity. The acquisition is not affecting the financial statements of DFDS Group.

### 2022 ICT Logistics

On 15 September 2021 DFDS entered into an agreement to acquire 80.1% of the share capital of the Danish freight forwarder ICT Logistics. DFDS has owned 19.9% of the shares in ICT Logistics since 2006. Closing of the transaction took place 19 January 2022. DFDS paid DKK 69m for the acquired Group.

At the date of this report, it is impractical to disclose the provisional fair values of the acquired assets, liabilities, contingent liabilities, as well as the expected goodwill, due to the timing of this acquisition. In addition the acquisition is not expected to significantly affect the financial statements of DFDS Group.

### 2020

There was 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 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	Full year 2021		Full year 2020	
	Fair value	Carrying amount	Fair value	Carrying amount
<b>Financial assets</b>				
Derivatives (Level 2)	58	58	226	226
Securities (Level 3)	10	10	10	10
<b>Financial liabilities</b>				
Derivatives (Level 2)	83	83	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. However, 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. For further description reference is made to note 1 Accounting policies.

The Parent Company's revenue increased by DKK 865m, equivalent to 12% compared to full-year 2020. Operating profit before depreciation and special items (EBITDA) increased by DKK 13m from DKK 1,758m in full-year 2020 to DKK 1,771m in full-year 2021, equivalent to an increase of 1%.

Profit before tax decreased from DKK 135m in full-year 2020 to DKK 106m in full-year 2021.

The Parent Company's net interest-bearing debt increased from DKK 4,718m at 31 December 2020 to DKK 6,264m at 31 December 2021.

DKK m	2021 Full year	2020 Full year
<b>Income statement</b>		
Revenue	8,250	7,385
Operating profit before depreciation (EBITDA) and special items	1,771	1,758
Operating profit (EBIT) before special items	77	104
Special items, net	-55	-172
Operating profit (EBIT)	22	-68
Financial items, net	85	203
Profit before tax	106	135
<b>Profit for the period</b>	<b>131</b>	<b>140</b>
<b>Assets</b>		
Non-current intangible assets	423	400
Non-current tangible assets	6,088	5,458
Right-of-use assets	1,209	1,404
Investments in affiliated companies, associates and joint ventures	8,387	6,760
Non-current receivables from affiliated companies	47	261
Other non-current assets	70	110
Non-current assets	16,224	14,393
Current receivables from affiliated companies	712	699
Receivables from associates and joint ventures	23	27
Cash	475	735
Other current assets	1,195	1,381
Current assets	2,405	2,842
<b>Assets</b>	<b>18,629</b>	<b>17,236</b>
<b>Equity and liabilities</b>		
Equity	9,355	9,382
Non-current liabilities	3,193	3,093
Current liabilities to affiliated companies	3,429	2,139
Other current liabilities	2,652	2,622
Current liabilities	6,082	4,762
<b>Equity and liabilities</b>	<b>18,629</b>	<b>17,236</b>
Equity ratio, %	50.2%	54.4%
Net interest-bearing debt	6,264	4,718

# Definitions

<b>Operating profit before depreciation (EBITDA)</b>	Profit before depreciation and impairment on non-current assets
<b>Operating profit (EBIT)</b>	Profit after depreciation and impairment on non-current intangible and tangible assets
<b>Operating margin</b>	$\frac{\text{Operating profit (EBIT) before special items}}{\text{Revenue}} \times 100$
<b>Net operating profit after taxes (NOPAT)</b>	Operating profit (EBIT) minus payable tax for the period adjusted for the tax effect of net finance cost
<b>Invested capital</b>	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
<b>Net Interest-bearing debt</b>	Interest-bearing liabilities (excluding provision for pensions) minus interest-bearing assets minus cash and securities
<b>LTM</b>	Last twelve months
<b>Return on invested capital (ROIC)</b>	$\frac{\text{Net operating profit after taxes (NOPAT)}}{\text{Average invested capital}} \times 100$
<b>Adjusted free cash flow (FCFF)</b>	Cash flow from operating activities excluding net interest received and paid minus cash flow from net investments and payment of lease liabilities and interest
<b>Return on equity</b>	$\frac{\text{Profit for the period excluding non-controlling interests}}{\text{Average equity excluding non-controlling interests}} \times 100$
<b>Equity ratio</b>	$\frac{\text{Equity at end of period}}{\text{Total assets}} \times 100$
<b>Earnings per share (EPS)</b>	$\frac{\text{Profit for the period excluding non-controlling interests}}{\text{Weighted average number of ordinary shares in circulation}} \times 100$
<b>P/E ratio</b>	$\frac{\text{Share price at the end of the period}}{\text{Earnings per share (EPS)}} \times 100$
<b>Dividend per share</b>	$\frac{\text{Dividend for the year}}{\text{Number of shares at the end of the period}} \times 100$
<b>Market value</b>	Number of shares, ex. treasury shares, end of period times share price end of period
<b>No. of ships</b>	Owned and chartered ships, including slot charter and vessel sharing agreements
<b>Units</b>	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

Roundings may in general cause variances in sums and percentages in this report.



# ESG definitions

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<b>Total number of ferry operating days</b>	Total number of deployment days for ferries in operation
<b>CO2 emissions per GT nautical mile</b>	Emissions measured as gCO2 per gross tonnage nautical mile for ferries in operation
<b>Total marine fuel consumption</b>	Total consumption of heavy fuel oil (HFO) and marine gas oil (MGO) for ferries in operation
<b>Fuel consumption per nautical mile</b>	Total consumption of heavy fuel oil (HFO) and marine gas oil (MGO) per nautical mile for ferries in operation
<b>Fuel consumption per GT nautical mile</b>	gCO2 per gross tonnage-nautical mile
<b>Spills (&gt;1 barrel)</b>	Incidents of oil spills larger than one barrel into the sea from ferries in operation
<b>Average number of employees (FTE)</b>	Average fulltime equivalent number of employees
<b>Total workforce gender ratio</b>	Percentage of women in FTE workforce
<b>Senior management gender ratio</b>	Percentage of women of total number of senior management positions defined as EVPs and VPs
<b>Manager gender ratio</b>	Percentage of women of total number of management positions, excluding senior management, defined as positions with responsibility for at least one other employee
<b>Employee gender ratio</b>	Percentage of women of number of employees, excluding senior management and managers
<b>At sea</b>	Percentage of women of number of employees at sea
<b>On land</b>	Percentage of women of number of employees on land
<b>Lost time injury frequency (LTIF), sea</b>	Number of registered work-related accidents disabling a seafarer to work for more than 24 hours per one million exposure hours
<b>Lost time injury frequency (LTIF), land</b>	Number of registered work-related accidents disabling a land-based employee work for more than 24 hours per one million exposure hours
<b>Colleagues</b>	Number of fatalities among employees caused by work-related accidents
<b>Contractors</b>	Number of fatalities among third-party contractors caused by work-related accidents while operating for DFDS
<b>Representation of women on Board of Directors</b>	Percentage of women of the total number of members of the Board of Directors, excluding staff appointed members
<b>Attendance at Board meetings</b>	Percentage of total number of Board meetings attended. (Not gender specific)

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8 February 2022

Company announcement no.: 5/2022

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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 more than DKK 20bn.

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

For millions of passengers, we provide safe overnight and short sea ferry services.

Our 10,000 employees are located on ferries, port terminals, distribution centres, and in offices across more than 20 countries. DFDS was founded in 1866, is headquartered in Copenhagen, and listed on NASDAQ Copenhagen.