

Q4 and full-year 2022 interim report

SIGNIFICANT GROWTH DELIVERED

- Revenue in 2022 up 47% to DKK 27bn
- EBITDA up 45% to DKK 5.0bn
- EBITDA outlook of DKK 4.5-5.0bn for 2023 reflects possible economic slowdown
- Dividend of DKK 286m proposed plus DKK 300m share buyback



Highlights Q4

Q4 2022

- 7% lower ferry emission intensity
- ROIC increased to 8.6%
- Leverage further reduced to 2.8x

Outlook 2023

- EBITDA of DKK 4.5-5.0bn
- Revenue at same level as 2022
- Investments of DKK 1.6bn

“Despite headwind in certain areas, our business performed very well in 2022. As we increase the return of cash to shareholders, we continue to see great potential to strengthen and grow our network further in the coming years.”

Torben Carlsen, CEO

Q4 revenue increased 17% to DKK 6.5bn driven by the continued recovery in passenger numbers and spending as well as price increases for freight services to cover rising energy and other costs.

Q4 EBITDA before special items increased 18% to DKK 1,084m. The EBITDA for freight ferry and logistics activities increased 5% to DKK 987m driven by higher logistics earnings as the freight ferry result was at the same level as 2021.

The Q4 EBITDA for passenger activities in the Channel, Baltic Sea, and Passenger business units increased to DKK 97m from DKK -20m in 2021. The Q4 passenger EBITDA was 66% above 2019, the latest pre-Covid-19 year.

For the full-year, EBITDA before special items increased DKK 1,544m or 45% to DKK 4,955m as the freight ferry and logistics result increased DKK 588m and the passenger result increased DKK 955m.

Outlook 2023

The outlook for EBITDA of DKK 4.5-5.0bn before special items includes continued growth but also assumes a European economic slowdown, negative impacts from the war in Ukraine, and overcapacity on the Channel. Revenue is therefore overall expected to remain at the same level as 2022. Investments are expected to amount to around DKK 1.6bn, excluding acquisitions. The outlook is detailed on page 10.

KEY FIGURES

DKK m	2022 Q4	2021 Q4	Change, %	2022 Full-year	2021 Full-year	Change, %
Revenue	6,542	5,583	17	26,873	18,279	47
EBITDA before special items	1,084	915	18	4,955	3,411	45
EBIT before special items	448	309	45	2,457	1,313	87
Profit before tax and special items	370	255	45	2,114	1,035	104
Profit before tax	378	259	46	2,139	1,069	100

9 February 2023. Conference call today at 10.00am CET

Register ahead of the call via this [link](#). Access code is mailed after registration.

Follow live-streaming of call via this [link](#).

Key figures

DKK m	2022 Q4	2021 Q4	2022 Full-year	2021 Full-year
Income statement				
Revenue*	6,542	5,583	26,873	18,279
• Ferry Division	4,052	3,324	16,831	12,216
• Logistics Division	2,832	2,541	11,423	7,155
• Non-allocated items	144	129	624	526
• Eliminations	-486	-411	-2,006	-1,618
Operating profit before depreciation (EBITDA) and special items	1,084	915	4,955	3,411
• Ferry Division	855	741	3,966	2,852
• Logistics Division	278	211	1,066	593
• Non-allocated items	-49	-37	-76	-34
Operating profit (EBIT) before special items	448	309	2,457	1,313
Special items, net	8	4	25	34
Operating profit (EBIT)	457	313	2,482	1,348
Financial items, net	-79	-54	-343	-278
Profit for the period	384	256	2,019	976
Capital				
Total assets	-	-	34,084	30,721
Equity	-	-	13,135	11,554
Net interest-bearing debt	-	-	14,109	13,481
Invested capital, end of period	-	-	27,554	25,369

* Revenue has been restated for 2021 and Q1-Q3 2022. Reference is made to Note 1.

DKK m	2022 Q4	2021 Q4	2022 Full-year	2021 Full-year
Cash flows				
Cash flows from operating activities	1,026	788	4,480	3,208
Cash flows from investing activities	-491	-1,594	-2,989	-3,210
Free cash flow	534	-806	1,491	-1
Adjusted free cash flow	330	-257	881	1,051
Key operating and return ratios				
Average number of employees (FTE)	-	-	11,510	8,874
Revenue growth (reported), %	17.2	45.2	47.0	27.7
EBITDA-margin before special items, %	16.6	16.4	18.4	18.7
Operating margin before special items, %	6.9	5.5	9.1	7.2
Return on invested capital (ROIC), %	-	-	8.7	5.3
ROIC before special items, %	-	-	8.6	5.2
Return on equity, %	-	-	16.4	8.7
Key capital and per share ratios				
Financial leverage, times	-	-	2.8	3.7
Equity ratio, %	-	-	38.5	37.6
Earnings per share (EPS), DKK	6.71	4.39	35.09	16.69
Dividend paid per share, DKK	0	0	8.00	0
Number of shares, end of period, '000	-	-	58,632	58,632
Share price, DKK	-	-	256	349

Definitions on page 32.

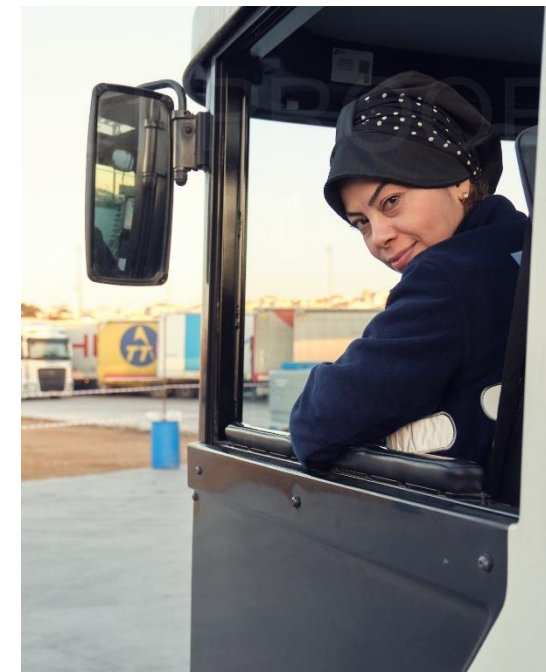
ESG key figures

	Unit	2022 Q4**	2021 Q4*	2022 Full-year**	2021 Full-year*
Environmental data					
Total number of days operated	Days	5,844	5,919	23,358	23,197
CO2 emissions					
CO2 emissions per GT nautical mile (Own fleet)	gCO2	12.3	12.9	12.5	12.8
CO2 emissions per GT nautical mile (Route network)	gCO2	12.7	13.6	13.0	13.5
Energy consumption					
Total fuel consumption (Route network)	Tonnes	201,734	211,517	825,674	792,865
Oil spills					
Spills (>1 barrel)	Number	0	0	0	0
Social data					
Representation of women					
Total workforce:	%	-	-	24	24
• Non-officed based	%	-	-	12	12
• Office based	%	-	-	43	44
Senior management	%	-	-	16	16
Managers	%	-	-	16	14
Employees	%	-	-	25	27
Safety at sea					
Lost-time injury frequency (LTIF)	Incidents/mill. hours	3.4	2.9	4.5	4.3
Safety on land					
Lost-time injury frequency (LTIF)	Incidents/mill. hours	8.2	10.9	7.9	7.4
Fatalities					
Colleagues	Accidents	1	0	1	1
Contractors	Accidents	0	0	0	0
Governance data					
Representation of women in the Board (AGM elected members)	%	-	-	33	33
Board nationality - non-Danish (AGM elected members)	%	-	-	33	17
Independent directors (AGM elected members)	%	-	-	83	83
Attendance at Board meetings (All Board members)	%	100	100	100	100
Whistle-blower reporting	Cases	11	5	33	27

*2021 ESG data excludes HSF Logistics Group acquired in September 2021.

** 2022 ESG data excludes ICT Logistics Group (acquired in January 2022), primeRail for LTIF figures (acquired in May 2022) and Lucey Transport Logistics (acquired in September 2022).

Definitions on page 33.



Management review

Market overview

Rising inflation and interest rates continued to fuel uncertainty in Europe during Q4. Freight volumes started to slow down as demand softened in response to high energy prices and increases in other costs of living.

European supply chains are still challenged by shortages of industrial parts and raw materials as well as haulage capacity and staff within some sectors and regions. Backlogs thus remain in place and this is expected to support activity levels if underlying demand continues to slow down. The war in Ukraine, EU's Mobility Package, and wage inflation continued to hold back the supply of haulage capacity.

The growth of Türkiye's economy slowed somewhat in Q4, also in response to softer European demand. In 2023, nearshoring of manufacturing is expected to underpin growth in the country's export sector, although elections in May could lower activity levels for a period.

The recovery in ferry passenger volumes continued in Q4 across northern Europe. The recovery is supported by a rise in holiday travel by car helped by an increase in the cost of air travel.

The main changes in average exchange rates in Q4 2022 vs Q4 2021 were depreciation of TRY/DKK by 35% and SEK/DKK by 7%, and appreciation of USD/DKK by 12%.

Major events in Q4

Logistics network further expanded on island of Ireland and in the UK

On 29 December 2022, an agreement was entered into to acquire 100% of McBurney Transport Group head-quartered in Northern Ireland for a debt-free price of DKK 1.2bn (GBP 138m). The company is focused on moving cold chain and dry goods in trailers by road and ferry between island of Ireland and the UK. Warehousing, distribution, and other logistics services are also provided.

The acquisition of McBurney Transport Group is aligned with DFDS' strategic focus on cold chain logistics, it overlaps with existing activities in the region, and offers opportunities to connect with other parts of DFDS' pan-European transport network.

McBurney is headquartered in Ballymena, Northern Ireland, and operates from eight different locations: three in Northern Ireland, one in Ireland, three in England and one in Scotland. In Liverpool, McBurney operates a 25,000-pallet cold store, which facilitates the transport of cold chain

goods throughout the UK. McBurney annually transports more than 100k trailers across the Irish Sea.

The company has over 800 employees and operates around 400 trucks and 1,360 trailers of which 955 are refrigerated trailers. The majority of the equipment is owned. In 2021, McBurney's revenue was DKK 1.0bn and for 2022, revenue is expected to increase to DKK 1.3bn. The Group's EBITDA was DKK 160m in 2021 (before IFRS adjustments).

Expected synergies and an integration plan will be disclosed in connection with the closing of the transaction. Closing of the transaction is subject to regulatory approval.

Strategic dialogue initiated with Ekol Logistics

To facilitate trade and to enhance customer offerings, a strategic dialogue between DFDS and Ekol Logistics, a major Turkish logistics company, has been initiated to explore a possible acquisition of Ekol Logistics' international road haulage activities. Such a combination of ferry and logistics activities in the Mediterranean network would mirror DFDS' proven northern European business model.

To ensure an efficient strategic dialogue for all stakeholders, a filing was submitted on 14 October 2022 to the Turkish competition authorities to obtain their view on a

possible acquisition. In Türkiye it is customary and possible to file for clearance before transaction terms and documents are finalised.

Any possible transaction linked to the strategic dialogue with Ekol Logistics awaits among other things the outcome of the filing with the Turkish competition authorities and Board approval of transaction terms.

New Head of Ferry Division

Mathieu Girardin was appointed Head of Ferry Division, EVP, and member of the Executive Management Team (EMT) in July 2022 and joined DFDS in October 2022. Mathieu Girardin, a French national born in 1982, was previously Senior Vice President at CMA CGM, one of the world's largest shipping and logistics companies, for Short Sea Lines Europe and Containerships. He has held senior management positions at CMA CGM since 2013, including both operational and corporate responsibilities.

Mathieu Girardin succeeds Peder Gellert Pedersen, Head of Ferry Division and EVP, who retired after 28 years with DFDS on 1 August 2022.

Major events after Q4

No major events to report.

Capital distribution to shareholders

In view of DFDS' solid financial position and prospects, the Board of Directors proposes to distribute DKK 586m to shareholders as a combination of a dividend and a share buyback.

An ordinary dividend of DKK 5.00 per share will be proposed for approval by the annual general meeting (AGM) in March 2023.

In addition, DKK 300m will be distributed in February 2023 through a Dutch Auction share buyback. See separate announcement for details.

ESG actions and plans

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.

Short-term actions and results

In Q4 2022, CO2 emissions were reduced on both own and chartered vessels deployed across the route network. Own fleet emissions were reduced 5% to 12.3 g/CO2/GT per nautical mile from 12.9 g/CO2/GT per nautical mile in Q4 2021. Emissions from the entire route network were lowered 7% to 12.7 g/CO2/GT per nautical mile from 13.6 g/CO2/GT per nautical mile in Q4 2021.

For the full-year, CO2 emissions were reduced 4% across the route network from 13.5 g/CO2/GT per nautical mile in 2021 to 13.0 g/CO2/GT per nautical mile in 2022. Own fleet emissions were reduced 2% to 12.5 g/CO2/GT per nautical mile from 12.8 g/CO2/GT per nautical mile in 2021.

The ongoing reduction of emissions is a result of the continuous improvement of the fleet's fuel efficiency through operational and technical solutions such as silicone hull paint and changed route schedules. In Q4, the increased focus on route optimisation and speed reduction began to show its first results. Depending on route, schedules, and vessel types, the speed reduction initiative has a CO2 reduction potential of up to 8-10%.

In November the first e-truck was successfully deployed in Ghent, Belgium. A further 20 e-trucks were received in January 2023 in Gothenburg.

Long-term transformative actions and plans

Projects to enable deployment of a green freight ferry in the route network by 2025 continued in the quarter. The project to develop 'green transport corridors' continued in partnership with stakeholders that include companies in different parts of the value chain - agricultural suppliers, food producers, fuel suppliers, and logistics and transport providers as well as ports. The aim is to accelerate the green transition - from incremental steps to full climate neutrality - by knowledge sharing across sectors, efficient use of resources, and large-scale implementation of decarbonisation initiatives.

DFDS joined the Gothenburg-Gent Green Corridor Initiative in cooperation with the respective ports. The design of a next generation of ferries and their fuel and propulsion concepts has been initiated and will be ongoing in coming quarters.

The de-carbonisation activities within the Logistics Division continued to focus on the electrification of the truck fleet and other vehicles. The need for green electricity will increase over time and by investing in solar panels (photo-voltaic systems), own warehouses are expected to produce 10m kWh of green electricity per year by 2030. 1.5m kWh was produced in 2022 and production is expected to triple in 2023.

Social

Diversity & Inclusion

In 2022 the total female workforce representation was maintained at 24%. This is a positive development as it was expected to decline due to the consolidation of HSF Logistics Group with a female gender ratio below DFDS. The ratio of female managers increased to 16% from 14% in 2021 underpinned by the strategic focus on Diversity, Equity and Inclusion.

Safety

For sea-based operations, the lost-time injury frequency (LTIF) increased to 3.4 in Q4 2022 from 2.9 in Q4 2021. The development illustrates the importance of continued monitoring and nurturing of the Safety First program on board. An e-learning awareness module for safety on freight ferry cargo decks is currently being developed.

Revenue

DKK m	Q4 2022	Q4 2021	Change, %	Change
Ferry Division	4,052	3,324	21.9	728
Logistics Division	2,832	2,541	11.5	291
Non-allocated items	144	129	11.0	14
Eliminations	-486	-411	-18.1	-74
DFDS Group	6,542	5,583	17.2	959

The lost-time injury frequency for the land-based operation decreased to 8.2 in Q4 compared to 10.9 in Q4 2021. On the full year we saw an increase to 7.9 in 2022 from 7.4 in 2021 due to among other things a higher number of incidents within own cold chain trucking entities. The safe operation of our trucking operations is designated a focus area for 2023.

Governance

The number of whistle-blower cases is an indicator of employees' awareness of DFDS' Code of Conduct. In 2022, the number of reported cases increased to 33 from 27 cases in 2021. 42% of the reported cases concerned employee relations and violations of company policies. All cases are investigated with the involvement of relevant managers and/or local HR. Most reported incidents have a low level gravity and main sanctions on closed cases have been to address unacceptable behaviour and emphasise the importance of acting in accordance with DFDS' Code of Conduct.

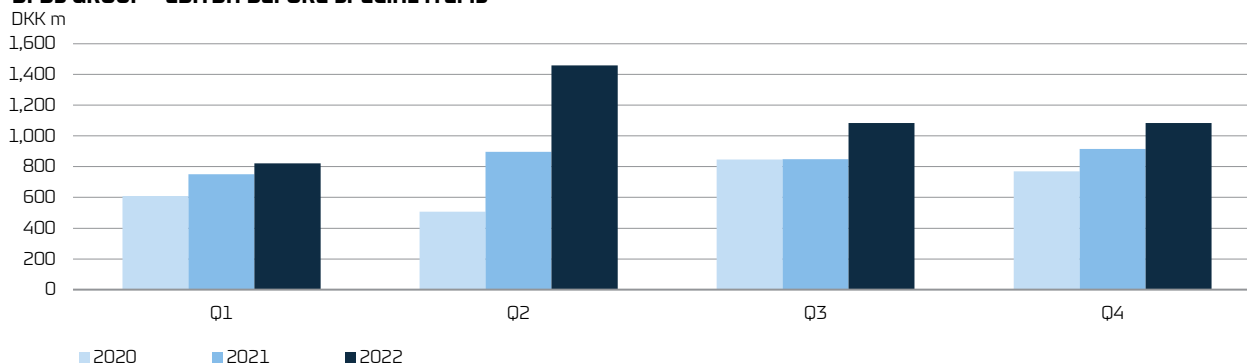
Financial performance

Revenue

The Group's Q4 revenue was DKK 6,542m, an increase of 17.2% compared to 2021. The Group's full-year revenue was DKK 26,873m, an increase of 47.0% compared to 2021.

The Ferry Division's Q4 revenue increased 21.9% to DKK 4,052m following almost a doubling of passenger revenue driven by the recovery from Covid-19 and higher average revenue per passenger. In addition, revenue from bunker surcharges increased considerably due to higher oil prices. Freight revenue, excluding bunker surcharges, decreased compared to last year due to lower volumes in Channel and Baltic Sea.

The Logistics Division's Q4 revenue increased 11.5% to DKK 2,832m, including a positive impact from the acquisitions of ICT Logistics and Lucey Transport Logistics. Organic revenue growth for the existing activities was 5.6% reflecting higher activity, including new warehousing and customs activities, and improved cost coverage across regions.

DFDS GROUP - EBITDA BEFORE SPECIAL ITEMS**Operating profit before depreciation (EBITDA) and special items**

DKK m	Q4 2022	Q4 2021	Change, %	Change
Ferry Division	855	741	15.4	114
Logistics Division	278	211	32.0	68
Non-allocated items	-49	-37	-35.3	-13
DFDS Group	1,084	915	18.4	169
EBITDA-margin, %	16.6	16.4	n.a.	0.2

Associates and joint ventures, profit/loss on disposals and depreciation

DKK m	Q4 2022	Q4 2021	Change, %	Change
EBITDA before special items	1,084	915	18.4	169
Associates and joint ventures	-5	-4	-26.8	-1
Profit/loss on disposals	12	-1	n.a.	13
Depreciation and impairment	-642	-602	-6.8	-41
EBIT before special items	448	309	45.2	139

Financial items

DKK m	Q4 2022	Q4 2021	Change, %	Change
Interests, net	-113	-73	-56.3	-41
Foreign exchange gains/losses, net	25	24	7.3	2
Other items, net	9	-5	n.a.	14
Total finance, net	-79	-54	-47.0	-25

Operating profit before depreciation (EBITDA) and special items

The Group's Q4 EBITDA increased 18% or DKK 169m to DKK 1,084m driven primarily by higher passenger earnings. The Group's full-year EBITDA increased 45% to DKK 4,955m.

Ferry Division's Q4 EBITDA increased 15% or DKK 114m to DKK 855m. The EBITDA of DKK 759m for freight ferry activities was at the same level as 2021 as higher North Sea earnings were offset by one-off items in Mediterranean and lower volumes in Channel and Baltic Sea. The total EBITDA for passenger activities across the network increased DKK 117m to DKK 97m from DKK -20m in 2021. The increase was driven by the recovery of passenger travel from Covid-19.

Logistics Division's Q4 EBITDA increased 32% or DKK 68m to DKK 278m following a higher result for the Dry Goods business unit. The result for the Cold Chain business unit was 4% lower due primarily to lower export volumes to the UK.

Depreciation and operating profit (EBIT) before special items

Depreciation in Q4 of DKK 642m was 7% or DKK 41m higher than last year. The increase was mainly due to higher depreciation in the Logistics division following higher investments in cargo carrying equipment, charter of a container ship, and the acquisitions of ICT Logistics and Lucey Transport Logistics. The Ferry Division's depreciation was at the same level as 2021.

The Group's Q4 EBIT before special items increased 45% to DKK 448m and for the full-year EBIT before special items increased 87% to DKK 2,457m.

Special items and operating profit (EBIT) after special items

There were no material special items in Q4 2022 and for the full-year special items were a net income of DKK 25m. The Group's Q4 EBIT after special items increased 46% to DKK 457m and for the full-year EBIT after special items increased 84% to DKK 2,482m.

Financial items

Total net financial items in Q4 was a cost of DKK 79m, an increase of DKK 25m compared to Q4 2021. The net interest cost was DKK 41m above 2021 due mostly to an increase in borrowing rates on the net interest-bearing debt excluding lease liabilities. In addition, there was a positive variance of DKK 14m on other items, net on account of one-off items.

For the full-year, total net financial items was a cost of DKK 343m compared to DKK 278m in 2021.

Profit before special items and tax

The Q4 profit before special items and tax increased 45% to DKK 370m and the profit for the period was DKK 384m, an increase of DKK 128m compared to 2021. For the full-year, the profit before special items and tax increased 104% to DKK 2,114m and the profit for the period was DKK 2,019m.

Earnings per share

Q4 earnings per share (EPS) increased 53% to DKK 6.71 and increased 110% to DKK 35.09 for the full-year.

Cash flow and investments

The Q4 cash flow from operating activities increased 30% to DKK 1,026m compared to Q4 2021 driven by the improved operating result and a positive cash flow from working capital. Net investments in Q4 totalled a negative cash flow of DKK 491m resulting in a free cash flow of DKK 534m.

The Q4 cash flow from financing activities was negative by DKK 797m, including a net loan outflow of DKK 589m and payment of lease liabilities of DKK 213m. The net decrease in cash was DKK 263m and at the end of Q4 cash amounted to DKK 1,189m.

The Q4 adjusted free cash flow (FCFE) was DKK 330m up from DKK -257m in Q4 2021.

For the full-year, the adjusted free cash flow (FCFE) was DKK 881m which included DKK 2,707m of investments comprising operating investments of DKK 1,838m and ferry new-buildings/purchase/sale of DKK 871m which included delivery of one new-building.

Invested capital and ROIC

Invested capital increased 9% to DKK 27.6bn at the end of 2022 compared to year-end 2021. The increase was due mostly to completion of ferry new-buildings, additional ferry and logistics leases, purchases of land for warehouse

developments and a cold store, and two logistics acquisitions.

The return on invested capital, ROIC, before special items increased from 5.2% in 2021 to 8.6% which was above DFDS' return target of a minimum ROIC of 8%.

Capital structure

At the end of 2022 net-interest-bearing debt (NIBD) was DKK 14.1bn, an increase of 5% compared to the end of 2021. The increase was due to higher lease liabilities as the net interest-bearing debt excluding lease liabilities of DKK 9.6bn decreased 3%.

During Q4 2022, a significant portion of short-term interest-bearing liabilities was refinanced consequently reclassified to non-current debt. Refinancing of further short-term interest-bearing liabilities is expected in 2023.

Financial leverage, as measured by the ratio of NIBD to EBITDA before special items for the last twelve months (LTM), was 2.8 at the end of 2022 compared to 3.7 at year-end 2021.

Equity

Equity amounted to DKK 13,135m at the end of 2022, including non-controlling interests of DKK 114m. This was an increase of 14% compared to the end of 2021. Total comprehensive income for 2022 was DKK 2,055m. Transactions with owners of DKK 474m included dividend payments of DKK 461m.

The equity ratio was 38% at the end of 2022 which was on level with year-end 2021.

Outlook 2023

The outlook visibility for 2023 is impaired by especially the war in Ukraine and the current elevated financial uncertainty.

The outlook for 2023 builds on multiple assumptions that may change significantly as the year progresses.

General market growth prospects

The current consensus 2023 outlook for Europe's and Türkiye's GDP-growth (Gross Domestic Product) is 0.1% and 3.0%, respectively (Source: Thomson Reuters).

The measures that have and are being taken to lower the current high inflation is widely expected to lead to a recession in large parts of Europe. GDP-growth is thus expected to be negative in several European countries in 2023, including the UK and Germany. The war in Ukraine is likely to depress activity in neighbouring countries for its duration.

Türkiye's export to Europe slowed down towards the end of 2022 but this was offset by higher import flows as parts of the freight destined for CIS countries in Central Asia was rerouted through Türkiye.

Geopolitical events could in general dampen the expected growth, both short- and long-term.

OUTLOOK 2023

DKK m	Outlook 2023	2022
Revenue growth	On level	26,873
EBITDA before special items	4,500-5,000	4,955
Per division:		
Ferry Division	3,350-3,650	3,966
Logistics Division	1,200-1,400	1,066
Non-allocated items	-50	-76
Investments	-2,800	-2,989
Types:		
Operating	-1,600	-1,838
Ferries: sale & purchase and new-buildings	0	-871
Acquisitions	-1,200	-280

Key freight outlook assumptions for 2023

A high share of freight volumes is expected to remain resilient in 2023 but freight volumes are anticipated to decline in parts of the network if economic growth turns negative.

Mediterranean freight volumes are expected to continue to grow in 2023, especially if the rerouting of volumes to Central Asian continues. Near-shoring of manufacturing in supply chains to Europe is also expected to benefit activity while lower European demand, not least in Germany, will reduce activity.

A recession in the UK is expected to reduce both ferry and logistics volumes. In addition, Channel's ferry volumes are expected to be lower in the first half-year as a third operator ramped up capacity through Q1 2022 and a second operator suspended sailings in most of Q2 2022.

The war in Ukraine is expected to continue to depress ferry volumes in the Baltic region, especially in Q1 compared to 2022.

The acquisition of McBurney Transport Group is assumed to be completed by the end of Q1 2023 which, all else being equal, will increase the Logistics Division's revenue and earnings.

Key passenger outlook assumptions for 2023

Around 90% of the passenger EBITDA covering three business units - Passenger, Channel, and Baltic Sea - was regained in 2022 following a reduction of DKK 1bn compared to the earnings level pre Covid-19.

Passenger volumes are expected to increase further in 2023 as travel restrictions remained in place through most of Q1 2022 and travel in general was still ramping

up through the following quarter. Passenger earnings are therefore expected to increase in 2023.

Revenue outlook

The Group's revenue is overall expected to remain at the same level as 2022. The Ferry Division's revenue growth is expected mainly to be driven by rate increases to cover higher operating costs and by volume growth in the Mediterranean network. Channel's freight revenue is expected to decrease due to a negative full-year impact of the overcapacity on the Dover Strait. Passenger revenue is expected to increase. In addition, revenue from bunker surcharges is contingent on development in oil prices.

Logistics' revenue growth is expected to be driven by organic growth from rate increases and new activities. In addition, the full-year impact of the acquisition of Lucey Transport and the acquisition of McBurney Transport Group, assumed completed by end Q1 2023, will also increase revenue.

Earnings outlook

Based on the above assumptions, the Group's EBITDA before special items is expected to be within a range of DKK 4.5-5.0bn (2022: DKK 5.0bn). See outlook table for divisional split.

Investments

Operating investments, i.e. excluding acquisitions and other transactions, are expected to amount to around DKK 1.6bn:

- No purchases of new or second-hand ferries are expected
- Dockings and ferry upgrades, including energy efficiency projects: DKK 800m
- Port terminals and other equipment: DKK 400m
- Cargo carrying equipment and warehouses, mainly related to Logistics Division: DKK 300m
- Other investments, including digital: DKK 100m.

An investment of DKK 1.2bn is expected for the acquisition of McBurney Transport Group.

Various risks and uncertainties pertain to the outlook

The most important among these are possible major changes in the demand for ferry services – 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 Türkiye.

Demand can also be impacted by competitor actions, supply chain disruptions, and extraordinary events such as virus outbreaks and geopolitical instability.

The outlook can moreover be impacted by political changes, first and foremost within the EU and Türkiye. Brexit, the trade agreement that came into effect on 1 January 2021 between the EU and the UK, is yet to be fully implemented and its possible impact on trade therefore still constitutes a risk.

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

Future financial results may therefore differ significantly from outlook expectations.

First e-trucks in operation

125 e-trucks are being delivered in 2023 as part of the transition to green logistics solutions. By 2030, the target is to have 90% of the truck fleet running on green fuels.



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 11.1% compared to Q4 2021 and by 3.1% excluding Channel. Full-year volumes decreased 2.5% compared to 2021.

Total Q4 passenger volumes almost tripled to 801k from 289k in Q4 2021. Full-year volumes increased more than fourfold to 3,772k from 869k in 2021. The 2022 full-year volumes equalled 74% of volumes in 2019.

North Sea

Q4 freight volumes were 3.7% below Q4 2021. Automotive volumes decreased on the routes out of Sweden and Germany due to production stops and shortage of haulage capacity on the Continent. UK volumes were reduced by

Ferry Division

DKK m	2022				2022 Full-year	2021				2021 Full year
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	
Revenue	3,482	4,544	4,753	4,052	16,831	2,694	3,063	3,135	3,324	12,216
EBITDA before special items	598	1,203	1,310	855	3,966	641	766	704	741	2,852
Share of profit/loss of associates and joint ventures	-4	-1	-2	-6	-13	-3	-2	-3	-4	-13
Profit/loss on disposal of non-current assets, net	2	0	-3	3	2	1	0	1	2	4
Depreciation and impairment	-445	-466	-451	-455	-1,816	-387	-420	-422	-455	-1,684
EBIT before special items	151	735	854	397	2,138	251	343	281	284	1,160
EBIT margin before special items, %	4	16	18	10	13	9	11	9	9	9
Special items, net	0	15	-	4	18	0	20	0	-8	12
EBIT	151	750	854	401	2,156	251	364	281	277	1,172
Invested capital, average	20,780	20,796	20,839	21,265	20,931	20,299	20,668	20,539	20,371	20,442
ROIC before special items, %	-	-	-	-	9.9	-	-	-	-	5.3
Average number of employees	-	-	-	-	6,138	-	-	-	-	5,381
Number of ferries	-	-	-	-	81	-	-	-	-	80
Lane metres, '000	10,617	11,523	9,915	9,692	41,746	10,246	11,078	10,602	11,085	43,011
Tons, '000	169	149	156	139	613	167	147	162	157	633
Passengers, '000	283	984	1,704	801	3,772	83	109	388	289	869

strikes in the Felixstowe port as well as some slowdown in demand.

Q4 EBITDA increased 30% to DKK 422m driven by lower operating costs and revenue growth from rate increases and standage fees in port terminals.

Mediterranean

Q4 freight volumes increased 8.4% and by 11.5% adjusted for a temporary suspension of sailings to Spain. Import volumes to Türkiye increased as transports were rerouted for destinations in Central Asia. Export volumes to Europe also continued to grow.

Q4 EBITDA decreased 15% to DKK 252m due to a one-off cost item and higher port terminal costs. This offset a positive impact from higher volumes.

Channel

Q4 freight volumes decreased 20.8% due mainly to lower volumes on the Dover Strait following a decrease in total market volumes of 9% and addition of capacity by a third ferry operator.

Passenger volumes continued to recover through Q4 increasing to 458k from 130k in Q4 2021. The number of passengers equalled 76% of passengers in Q4 2019. Duty-

free sales increased with the higher number of passengers compared to 2021.

Q4 EBITDA increased 27% to DKK 130m as higher passenger earnings offset a lower result for freight operations due to the volume decrease.

Baltic Sea

Q4 freight volumes were down 13.0% as the war in Ukraine has reduced volumes. The route network's capacity has been adapted to market changes. Passenger volumes were up 38.7% due to more holiday travel by car and a higher number of migrant workers. This was underpinned by more sailings between Estonia and Sweden and deployment of new-buildings between Lithuania and Sweden.

Q4 EBITDA decreased 8% to DKK 74m following a negative impact from the lower freight volumes that was partly offset by higher passenger earnings.

Passenger

Passenger volumes continued to recover through Q4 increasing to 285k from 118k in Q4 2021. The number of passengers equalled 89% of passengers in Q4 2019.

Q4 EBITDA increased DKK 34m to DKK -53m from DKK -87m in Q4 2021. The increase was driven by the recovery in passenger volumes which offset an increase in the net bunker cost.

Non-allocated items

These items primarily include external charter activities. Q4 EBITDA increased 22% to DKK 31m.

Ferry Division

DKK m	2022				2022 Full-year	2021				2021 Full-year
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	
North Sea										
Revenue	1,165	1,372	1,320	1,297	5,154	971	1,117	991	1,081	4,161
EBITDA before special items	314	457	413	422	1,605	301	378	284	325	1,287
EBIT before special items	159	308	272	273	1,012	150	229	142	169	690
Invested capital*	6,038	5,971	6,652	6,814	6,281	6,762	6,811	6,253	5,930	6,362
ROIC before special items, %	-	-	-	-	15.9	-	-	-	-	10.6
Lane metres freight, '000	3,510	3,574	3,366	3,311	13,761	3,358	3,609	3,362	3,439	13,769
Tons, '000	169	149	156	139	613	167	147	162	157	633
Mediterranean										
Revenue	1,015	1,225	1,143	1,116	4,499	770	846	846	942	3,404
EBITDA before special items	293	341	362	252	1,248	248	257	276	297	1,078
EBIT before special items	151	196	214	111	672	155	154	160	166	635
Invested capital*	9,291	9,247	9,328	9,560	9,324	9,558	9,408	9,182	9,192	9,375
ROIC before special items, %	-	-	-	-	6.7	-	-	-	-	6.3
Lane metres freight, '000	1,363	1,426	1,329	1,448	5,566	1,191	1,265	1,229	1,349	5,034
Channel										
Revenue	685	1,074	1,202	867	3,828	568	643	681	728	2,619
EBITDA before special items	69	205	207	130	611	74	104	78	102	358
EBIT before special items	-21	100	104	24	207	-16	7	-18	10	-16
Invested capital*	2,172	2,426	2,070	2,089	2,159	1,701	2,250	2,133	2,040	1,939
ROIC before special items, %	-	-	-	-	9.6	-	-	-	-	-1.2
Lane metres freight, '000	4,629	5,410	4,220	3,904	18,164	4,531	4,923	4,767	5,094	19,316
Passengers, '000	127	629	1,205	458	2,420	38	50	224	130	441
Baltic Sea										
Revenue	334	412	441	390	1,578	306	361	382	333	1,381
EBITDA before special items	51	119	144	74	388	83	111	118	80	391
EBIT before special items	16	86	107	35	243	51	68	80	26	226
Invested capital*	2,250	2,515	2,466	2,454	2,261	1,525	1,320	1,689	1,620	1,600
ROIC before special items, %	-	-	-	-	10.7	-	-	-	-	14.0
Lane metres freight, '000	999	986	900	918	3,804	1,104	1,199	1,108	1,056	4,467
Passengers, '000	40	61	96	57	254	40	53	79	41	214
Passenger										
Revenue	184	446	632	361	1,622	31	40	184	208	463
EBITDA before special items	-147	64	165	-53	30	-100	-120	-85	-87	-392
EBIT before special items	-168	34	141	-76	-69	-124	-147	-109	-108	-488
Invested capital*	798	859	854	797	801	629	731	751	699	677
ROIC before special items, %	-	-	-	-	-9.1	-	-	-	-	-72.6
Lane metres freight, '000	114	127	99	111	451	61	82	136	147	425
Passengers, '000	116	294	403	285	1,098	5	6	84	118	214
Non-allocated items										
Revenue	140	76	100	168	485	86	102	105	164	456
EBITDA before special items	18	17	17	31	82	36	36	34	25	131
EBIT before special items	14	12	15	31	72	35	33	25	22	115

*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.

Logistics Division

The division is organised in two business units:

- Dry Goods
- Cold Chain

Q4 market, activity and result trends

Dry Goods

Overall forwarding volumes were below 2021 across regions as demand slowed down towards the end of the year. Demand for contract logistics solutions, including warehousing, continued however to grow and utilisation was increased in the new warehousing facilities in Sweden, the Netherlands, and the UK.

Q4 EBITDA increased 116% to DKK 142m including a positive impact from the acquisitions of ICT Logistics and Lucey Transport Logistics. Most activities across regions increased earnings as margins were restored by improved coverage of rising haulage and energy costs. In addition, warehousing capacity was expanded and utilisation improved.

Logistics Division

DKK m	2022				2022 Full-year	2021				2021 Full year
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	
Revenue	2,666	2,979	2,947	2,832	11,423	1,426	1,554	1,633	2,541	7,155
EBITDA before special items	216	274	297	278	1,066	101	126	155	211	593
Share of profit/loss of associates and joint ventures	-1	0	0	1	-1	0	0	0	0	0
Profit/loss on disposal of non-current assets, net	2	4	3	9	19	0	1	0	-2	-1
Depreciation and impairment	-144	-147	-148	-165	-603	-62	-61	-73	-127	-322
EBIT before special items	74	131	152	124	480	39	66	83	81	269
EBIT margin before special items, %	3	4	5	4	4	3	4	5	3	4
Special items, net	2	0	0	4	7	0	-19	25	-4	2
EBIT	77	131	152	128	487	39	47	109	77	271
Invested capital, average	4,418	4,676	4,934	5,205	4,797	1,469	1,497	2,720	4,091	2,520
ROIC before special items, %	-	-	-	-	7.9	-	-	-	-	8.6
Average number of employees	-	-	-	-	4,544	-	-	-	-	2,774

Cold Chain

Nordic forwarding volumes in the meat segment slowed down in the quarter while cost coverage for the Danish haulage operation improved.

On the Continent, activity in Germany continued to grow. Export volumes to the UK were lower than expected as demand slowed down and the additional costs of trading with the UK also held back volumes. The adaptation of its operating model to EU's Mobility Package continued in the quarter, including the in-house haulage operated out of Poland. Continental volumes remained stable in the quarter.

In the UK, cold store warehousing volumes and utilisation were increased in England while Scottish seafood volumes remained subdued.

Q4 EBITDA decreased 6% to DKK 136m from DKK 145 m in Q4 2021 following the lower continental export volumes to the UK while results for the Nordic and domestic UK activities were improved.

Logistics Division

DKK m	2022				2022 Full-year	2021				2021 Full-year
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	
Dry Goods										
Revenue**	1,436	1,636	1,569	1,642	6,283	1,147	1,231	1,191	1,352	4,922
EBITDA before special items	109	147	144	142	542	70	83	93	66	312
EBIT before special items	44	77	75	60	257	23	38	44	20	125
Invested capital*	1,562	1,682	2,025	2,020	1,678	1,038	989	922	1,103	1,009
ROIC before special items, %	-	-	-	-	12.1	-	-	-	-	9.8
Cold Chain										
Revenue**	1,259	1,361	1,400	1,263	5,283	351	399	533	1,354	2,636
EBITDA before special items	107	127	153	136	523	31	43	63	145	281
EBIT before special items	30	54	77	62	223	16	28	39	62	145
Invested capital*	3,048	3,059	3,102	3,264	3,119	475	492	3,037	3,122	1,512
ROIC before special items, %	-	-	-	-	5.6	-	-	-	-	7.7

* 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.

** Revenue has been restated for Q1-Q3 2022, due to reclassification between revenue and costs. Neither EBITDA nor EBIT have been impacted.

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 2022.

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 2022 and of the results of the DFDS Group's operations and cash flow for the period 1 January – 31 December 2022.

Further, in our opinion, the Management review p. 2-17 gives a true and fair review of the development in the DFDS 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, 9 February 2023



Executive Board Torben Carlsen, CEO. Karina Deacon, CFO

Board of directors Claus V. Hemmingsen, Chair, Klaus Nyborg, Vice Chair, Minna Aila, Anders Götzsche, Marianne Henriksen, Kristian Kristensen, Jill Lauritzen Melby, Lars Skjold-Hansen, Dirk Reich

DFDS Group - Income statement

DFDS Group - Income Statement

DKK m	Note	2022 Q4	2021 Q4	2022 Full-year	2021 Full-year
Revenue	3	6,542	5,583	26,873	18,279
Costs					
Ferry and other ship operation and maintenance		-1,557	-1,363	-6,426	-3,880
Freight handling		-732	-681	-3,090	-2,598
Transport solutions		-1,679	-1,359	-6,657	-4,303
Employee costs		-1,269	-1,079	-4,730	-3,444
Costs of sales and administration		-221	-185	-1,015	-643
Operating profit before depreciation (EBITDA) and special items		1,084	915	4,955	3,411
Share of profit/loss of associates and joint ventures		-5	-4	-14	-13
Profit/loss on disposal of non-current assets, net		12	-1	21	2
Depreciation, ferries and other ships		-347	-358	-1,447	-1,322
Depreciation, other non-current assets		-295	-244	-1,058	-766
Operating profit (EBIT) before special items		448	309	2,457	1,313
Special items, net	4	8	4	25	34
Operating profit (EBIT)		457	313	2,482	1,348
Financial income		49	23	66	29
Financial costs		-128	-77	-409	-307
Profit before tax		378	259	2,139	1,069
Tax on profit		6	-4	-120	-94
Profit for the period		384	256	2,019	976
Attributable to:					
Equity holders of DFDS A/S		384	252	2,010	958
Non-controlling interests		-1	4	10	18
Profit for the period		384	256	2,019	976
Earnings per share					
Basic earnings per share (EPS) of DKK 20, DKK		6.71	4.39	35.09	16.69
Diluted earnings per share (EPS-D) of DKK 20, DKK		6.70	4.38	35.04	16.67

DFDS Group – Statement of Comprehensive income

DKK m	2022 Q4	2021 Q4	2022 Full-year	2021 Full-year
Profit for the period	384	256	2,019	976
Other comprehensive income				
Items that will not be reclassified subsequently to the Income statement:				
Remeasurement of defined benefit pension obligations	-46	140	-46	140
Tax on items that will not be reclassified to the Income statement	0	-25	0	-25
Items that will not be reclassified subsequently to the Income statement	-46	115	-46	115
Items that are or may be reclassified subsequently to the Income statement:				
Value adjustment of hedging instruments:				
Value adjustment for the period	66	8	270	42
Value adjustment transferred to operating costs	10	-20	9	-56
Value adjustment transferred to financial costs	-5	3	5	1
Value adjustment transferred to non-current tangible assets	0	-43	7	-139
Tax on items that may be reclassified to the Income statement	2	1	-31	-1
Foreign exchange adjustments, subsidiaries	-32	12	-177	28
Items that are or may be reclassified subsequently to the Income statement	41	-39	82	-124
Total other comprehensive income after tax	-5	76	36	-9
Total comprehensive income	378	332	2,055	966
Attributable to:				
Equity holders of DFDS A/S	379	329	2,045	950
Non-controlling interests	0	3	10	16
Total comprehensive income	378	332	2,055	966

DFDS Group - Balance sheet

Assets

DKK m	2022 Full-year	2021 Full-year
Goodwill	4,407	4,280
Other non-current intangible assets	1,701	1,659
Software	324	298
Development projects in progress	12	14
Non-current intangible assets	6,444	6,252
Land and buildings	559	427
Terminals	836	718
Ferries and other ships	13,186	11,460
Equipment, etc.	1,600	1,289
Assets under construction and prepayments	369	1,368
Right-of-use assets	4,648	3,926
Non-current tangible assets	21,197	19,188
Investments in associates, joint ventures and securities	13	35
Receivables	16	16
Prepaid costs	124	222
Deferred tax	49	31
Pension assets	0	25
Derivative financial instruments	299	36
Other non-current assets	500	366
Non-current assets	28,141	25,807
Inventories	324	269
Trade receivables	3,343	2,772
Receivables from associates and joint ventures	23	26
Other receivables	649	624
Prepaid costs	368	299
Derivative financial instruments	48	22
Cash	1,189	902
Current assets	5,943	4,914
Assets	34,084	30,721

Equity and liabilities

DKK m	2022 Full-year	2021 Full-year
Share capital	1,173	1,173
Reserves	-284	-396
Retained earnings	12,133	10,669
Equity attributable to equity holders of DFDS A/S	13,022	11,446
Non-controlling interests	114	108
Equity	13,135	11,554
Interest-bearing liabilities	8,481	8,707
Lease liabilities	3,916	3,118
Deferred tax	359	366
Pension and jubilee liabilities	88	76
Other provisions	44	117
Derivative financial instruments	8	6
Non-current liabilities	12,896	12,390
Interest-bearing liabilities	2,349	1,791
Lease liabilities	788	721
Trade payables	3,661	3,119
Payables to associates and joint ventures	12	51
Other provisions	52	56
Corporation tax	170	113
Other payables	756	679
Derivative financial instruments	40	77
Prepayments	223	171
Current liabilities	8,053	6,778
Liabilities	20,949	19,167
Equity and liabilities	34,084	30,721

DFDS Group - Statement of changes in equity 1 January - 31 December 2022

DKK m	Share capital	Translation reserve	Hedging Reserve	Treasury shares	Retained earnings	Equity attributable to equity holders of DFDS A/S	Non-controlling interests	Total
Equity at 1 January 2022	1,173	-366	-5	-25	10,669	11,446	108	11,554
Comprehensive income for the period								
Profit for the period					2,010	2,010	10	2,019
Other comprehensive income after tax	0	-177	291	0	-78	36	0	36
Total comprehensive income	0	-177	291	0	1,931	2,045	10	2,055
Transactions with owners								
Acquisition, non-controlling interests					1	1	-1	0
Dividend paid					-235	-235		-235
Dividend paid, non-controlling interests						0	-3	-3
Dividend on treasury shares					5	5		5
Extraordinary dividend paid					-235	-235		-235
Extraordinary dividend on treasury shares					5	5		5
Share-based payments					20	20		20
Purchase of treasury shares				-2	-30	-32		-32
Transactions with owners	0	0	0	-2	-468	-470	-4	-474
Equity at 31 December 2022	1,173	-543	286	-28	12,133	13,022	114	13,135

DFDS Group - Statement of changes in equity 1 January - 31 December 2021

DKK m	Share capital	Translation reserve	Hedging Reserve	Treasury shares	Retained earnings	Equity attributable to equity holders of DFDS A/S	Non-controlling interests	Total
Equity at 1 January 2021	1,173	-394	147	-25	9,611	10,511	89	10,600
Comprehensive income for the period								
Profit for the period					958	958	18	976
Other comprehensive income after tax	0	28	-151	0	115	-8	-1	-9
Total comprehensive income	0	28	-151	0	1,073	950	16	966
Transactions with owners								
Addition related to 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
Transactions with owners	0	0	0	0	-14	-15	2	-12
Equity at 31 December 2021	1,173	-366	-5	-25	10,669	11,446	108	11,554

DFDS Group – Statement of cash flows

DKK m	2022 Q4	2021 Q4	2022 Full-year	2021 Full-year
Operating profit before depreciation (EBITDA) and special items	1,084	915	4,955	3,411
Cash flow effect from special items related to operating activities	-4	-7	-56	-51
Adjustments for non-cash operating items, etc.	30	40	64	62
Change in working capital	56	-94	6	148
Payment of pension liabilities and other provisions	-21	-10	-41	-33
Interest received, etc.	29	28	50	26
Interest paid, etc.	-127	-90	-388	-302
Taxes paid	-20	7	-109	-52
Cash flow from operating activities	1,026	788	4,480	3,208
Investments in ferries including dockings, etc.*	-171	-616	-1,747	-1,145
Sale of ferries	0	99	21	99
Investments in other non-current tangible assets	-359	-280	-1,026	-421
Sale of other non-current tangible assets	56	13	113	64
Investments in non-current intangible assets	-20	-24	-70	-62
Acquisition of enterprises, associates, joint ventures, and activities	0	-803	-280	-1,765
Divestment of enterprises and associates	0	20	-2	20
Other investing cash flows	3	-3	3	1
Cash flow from investing activities	-491	-1,594	-2,989	-3,210
Free cash flow	534	-806	1,491	-1
Proceed from bank loans and loans secured by mortgage in ferries	2	1,248	3,903	1,762
Repayment and instalments of bank loans and loans secured by mortgage in ferries	-590	-687	-2,632	-1,349
Repayment of corporate bonds incl. settlement of cross currency swap	0	0	-1,000	0
Payment of lease liabilities	-213	-242	-963	-834
Settlement of forward exchange contracts related to leases	4	1	15	90
Acquisition of treasury shares	0	0	-32	-75
Cash received from exercise of share options	0	0	0	48
Other financing cash flows	0	0	-33	0
Dividends paid to non-controlling interests	0	0	-3	0
Dividends paid to equity holders of DFDS A/S	0	0	-459	0
Cash flow from financing activities	-797	319	-1,203	-359
Net cash flow	-263	-487	288	-360
Cash and cash equivalents at beginning of period	1,452	1,388	902	1,261
Foreign exchange and value adjustments of cash and cash equivalents	0	0	-2	1
Cash and cash equivalents at end of period **	1,189	902	1,189	902

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

** At 31 December 2022 DKK 175m (31 December 2021: DKK 167m) of the cash was deposited on restricted bank accounts. DKK 175m is not restricted from January 2023.

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 2021 except as described below.

Restatement rail transport revenue

Rail activities in Türkiye have historically been accounted on a net basis in the income statement. From Q4 2022 revenue and costs are presented gross and accordingly 2022 and 2021 have been restated. The impact from the restatement in Q1-Q3 2022 is DKK 355m increase in revenue as well as operational cost. For full-year 2021 the restatement amounts to DKK 410m.

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 2022 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 the war in Ukraine and the current macro-economic environment certain significant estimates have been revisited in Q4 2022 compared to year-end 2021, particularly related to passenger traffic and DFDS' activities in Eastern Europe. The review 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 due to the war in Ukraine and current macro environment

Impairment testing is undertaken at year-end unless indications of impairment occur during the year. In Q4 2022 Management has performed an impairment test for all cash generating units (CGUs) and concludes that no impairments nor reversals of prior year impairments are necessary.

Note 2 Segment Information

DKK m	Ferry Division	Logistics Division	Non- allocated	Total
Full year 2022				
External revenue	15,503	11,352	18	26,873
Intragroup revenue	1,329	71	606	2,006
Total revenue	16,831	11,423	624	28,879
Operating profit (EBITDA) before special items	3,966	1,066	-76	4,955
Operating profit (EBIT) before special items	2,138	480	-162	2,457
Operating profit after special items (EBIT)	2,156	487	-162	2,482
Invested capital, average	20,931	4,797	795	26,523

DKK m	Ferry Division	Logistics Division	Non- allocated	Total
Full year 2021				
External revenue	11,180	7,081	18	18,279
Intragroup revenue	1,036	74	508	1,618
Total revenue	12,216	7,155	526	19,897
Operating profit (EBITDA) before special items	2,852	593	-34	3,411
Operating profit (EBIT) before special items	1,160	269	-116	1,313
Operating profit after special items (EBIT)	1,172	271	-96	1,348
Invested capital, average	20,442	2,520	361	23,324

Note 3 Revenue

DKK m	Full-year 2022			
	Ferry Division	Logistics Division	Non-allocated	Total
Geographical markets				
North Sea	5,630	-	0	5,630
Mediterranean	4,471	-	0	4,471
English Channel	3,906	-	0	3,906
Baltic Sea	1,496	-	0	1,496
Continent	-	4,416	0	4,416
Nordic	-	4,418	0	4,418
UK/Ireland	-	2,518	0	2,518
Other	0	0	18	18
Total	15,503	11,352	18	26,873
Product and services				
Seafreight and shipping logistics solutions	10,425	27	0	10,452
Transport solutions	595	10,820	0	11,415
Passenger seafare and on board sales	2,982	0	0	2,982
Terminal services	953	6	0	959
Charters	331	0	0	331
Agency and other revenue	216	498	18	733
Total	15,503	11,352	18	26,873

DKK m	Full-year 2021			
	Ferry Division	Logistics Division	Non-allocated	Total
Geographical markets				
North Sea	3,849	-	0	3,849
Mediterranean	3,378	-	0	3,378
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
Total	11,180	7,081	18	18,279
Product and services				
Seafreight and shipping logistics solutions	8,432	98	0	8,530
Transport solutions	434	6,778	0	7,212
Passenger seafare and on board sales	976	0	0	976
Terminal services	851	6	0	856
Charters	311	0	0	311
Agency and other revenue	176	199	18	393
Total	11,180	7,081	18	18,279

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 Türkiye 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 1,327m (2021: DKK 449m).

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 374m (2021: DKK 311m).

Note 4 Special items

DKK m	2022 Full-year	2021 Full-year
Acquisition and integration planning costs relating to HSF Logistics Group	0	-29
Adjustment of earn-out regarding an acquisition	4	0
Accounting gain on sale of Gothia Seaways	0	20
Accounting gain on sale of Calais Seaways	0	26
Accounting gain on sale of office and warehousing building in Belgium	0	31
Accounting gain related to disposal of associated companies	0	16
ICT value adjustment, etc.	2	0
Reversal of restructuring cost (2021: restructuring costs etc.)	19	-63
Reversal of accrued cost related to Jubilee shares	0	4
Reversal of impairment of a freight ferry made in connection with reclassification to asset held for sale	0	29
Special items, net	25	34

Note 5 Acquisition of enterprises and sale of activities

DKK m	Lucey Transport Logistics	Other acquisitions	Total acquisitions
Non-current intangible assets	111	19	130
Land and buildings	196	0	196
Equipment etc.	38	33	71
Non-current assets	345	52	397
Trade receivables including work in progress services	42	73	115
Other receivables	5	6	11
Cash at hand and in bank	76	50	126
Current assets	123	129	252
Total assets	469	181	650
Deferred tax	14	4	18
Interest bearing debt	196	18	214
Non-current liabilities	210	22	232
Trade payables	17	66	83
Interest bearing debt	16	10	26
Other current liabilities	13	8	21
Current liabilities	47	83	130
Total liabilities	257	106	363
Fair value of acquired net assets	212	76	288
Total purchase price			
Cash consideration	300	106	406
Contingent consideration	7	0	7
Fair value of existing ownership share	0	17	17
Fair value of the purchase price	308	123	431
Goodwill at acquisition	97	47	144
Cash consideration	300	106	406
Acquired cash at hand and in bank	76	50	126
Net outflow of cash from acquisition	224	56	280

The above purchase price allocations are preliminary. Accordingly, changes may occur as the purchase price allocation is not considered final until 12 months after acquisition.

Note 5 Continued

2022

McBurney Transport Group

On 29 December 2022 DFDS Group entered into an agreement to acquire 100% of McBurney Transport Group headquartered in Northern Ireland. The company is focused on moving cold chain and dry goods in trailers by road and ferry between island of Ireland and the UK. Closing of the transaction is subject to regulatory approval.

Lucey Transport Logistics

On 30 September 2022, the acquisition of Lucey Transport Logistics Ltd. based in Dublin, Ireland was completed and the DFDS Group obtained control as from this date. The acquired company is after the acquisition included in the Dry Goods Business Unit in the Logistics Division.

Lucey Transport Logistics is an Irish provider of transport and logistics solutions, primarily to consumer goods companies. Door-door transports are provided for full- and part-loads as well as distribution services. The logistics solutions include warehousing, inventory management, bonded storage, and product rework and labelling.

DFDS paid DKK 300m for the acquired company. Cash in the acquired company amounted to DKK 76m. Accordingly the liquidity effect was DKK 224m. In addition, an earn-out agreement was entered into according to which seller is entitled to additional payment based on financial performance for the following 12 months period after the acquisition.

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 of DKK 111m at acquisition date.

Following recognition of acquired identifiable assets and liabilities at their fair value, the goodwill related to the acquisition is DKK 97m. The goodwill represents primarily the value of the staff and know-how taken over and expected synergies from combining the acquired Group with the existing DFDS activities and network. The goodwill is not deductible for tax purposes.

ICT Logistics

On 15 September 2021 DFDS Group entered into an agreement to acquire 80.1% of the shares in ICT Logistics Group. The acquisition was approved by Danish merger authorities on 13 January 2022 and the transaction was completed on 19 January 2022. The purchase price for the acquired shares amount to DKK 69m. Cash in the acquired company amounted to DKK 33m. Consequently, the liquidity effect was DKK 35m.

The acquisition is made by DFDS A/S which already owned 19.9% of ICT Logistics Group. In Q1 2022 the Group revalued the existing ownership share of 19.9% to DKK 17m which has resulted in a gain of DKK 9m.

primeRail

On 10 May 2022 DFDS Group acquired 100% of the share capital of the German rail forwarding company primeRail GmbH headquartered in Troisdorf, Germany. The purchase price for the acquired shares amounted to DKK 37m. Cash in the acquired company amounted to DKK 16m. Accordingly the liquidity effect was DKK 21m.

2021

The purchase price allocation for HSF Group (acquired 14 September 2021) is finalised and unchanged compared to 31 December 2021. For further details of the acquisition, refer to the annual report for 2021.

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 2022.

DKK m	Full-year 2022		Full-year 2021	
	Fair value	Carrying amount	Fair value	Carrying amount
Financial assets				
Derivatives (Level 2)	346	346	58	58
Securities (Level 3)	2	2	10	10
Financial liabilities				
Derivatives (Level 2)	48	48	83	83

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.

Note 7 Supplementary financial information on the Parent Company

As a result of DFDS A/S' issuance of corporate bonds on the 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 2021. 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 2022. For further description reference is made to note 1 Accounting policies.

The Parent Company's revenue increased by DKK 3,370m, equivalent to 41% compared to 2021. Operating profit before depreciation (EBITDA) and special items increased by DKK 872m equivalent to 49% compared to 2021.

Financial items, net for 2022 includes mainly reversal of previous impairments of investments in subsidiaries that are no longer needed DKK 364m.

Profit before tax increased by DKK 1,502m from DKK 131m to DKK 1,608m compared to 2021.

The Parent Company's net interest-bearing debt decreased by DKK 867m equivalent to 14% compared to 31 December 2021.

DKK m	2022 Full-year	2021 Full-year
Income statement		
Revenue	11,621	8,250
Operating profit before depreciation (EBITDA) and special items	2,643	1,771
Operating profit (EBIT) before special items	1,115	77
Special items, net	55	-55
Operating profit (EBIT)	1,143	22
Financial items, net	438	85
Profit before tax	1,608	106
Profit for the period	1,608	131
Assets		
Non-current intangible assets	448	423
Non-current tangible assets	6,817	6,088
Right-of-use assets	1,818	1,209
Investments in affiliated companies, associates and joint ventures	9,290	8,387
Non-current receivables from affiliated companies	60	47
Other non-current assets	282	70
Non-current assets	18,714	16,224
Current receivables from affiliated companies	1,064	712
Receivables from associates and joint ventures	22	23
Cash	489	475
Other current assets	1,412	1,195
Current assets	2,988	2,405
Total assets	21,702	18,629
Equity and liabilities		
Equity	10,649	9,355
Non-current liabilities	4,071	3,193
Current liabilities to affiliated companies	1,868	2,072
Other current liabilities	5,114	4,010
Current liabilities	6,982	6,082
Total equity and liabilities	21,702	18,629
Equity ratio, %	49.1	50.2
Net interest-bearing debt	7,131	6,264

Definitions

Operating profit before depreciation (EBITDA)	Profit before depreciation and impairment on non-current assets
Operating profit (EBIT)	Profit after depreciation and impairment on non-current intangible and tangible assets
Operating margin, %	$\frac{\text{Operating profit (EBIT) before special items}}{\text{Revenue}} \times 100$
Net operating profit after taxes (NOPAT)	Operating profit (EBIT) minus payable tax for the period adjusted for the tax effect of net finance cost
Invested capital	Non-current intangible and tangible assets plus net working capital (non-interest bearing current assets minus non-interest bearing current liabilities) minus pension and jubilee liabilities and other provisions
Net Interest-bearing debt (NIBD)	Interest-bearing liabilities (excluding provision for pensions) minus interest-bearing assets minus cash and securities
LTM	Last twelve months
Return on invested capital (ROIC), %	$\frac{\text{Net operating profit after taxes (NOPAT)}}{\text{Average invested capital}} \times 100$
Free cash flow	Cash flow from operating activities minus cash flow from investing activities
Adjusted free cash flow (FCFE)	Free cash flow excluding acquisitions/divestments and special items minus payment of lease liabilities and currency contracts related to leases
Return on equity, %	$\frac{\text{Profit for the period excluding non-controlling interests}}{\text{Average equity excluding non-controlling interests}} \times 100$
Equity ratio, %	$\frac{\text{Equity at end of period}}{\text{Total assets}} \times 100$
Financial leverage, times	$\frac{\text{Net Interest-bearing debt (NIBD)}}{\text{EBITDA LTM before special items incl. pro forma EBITDA for acquired companies}}$
Earnings per share (EPS)	$\frac{\text{Profit for the period excluding non-controlling interests}}{\text{Weighted average number of ordinary shares in circulation}}$
Dividend per share	$\frac{\text{Dividend for the year}}{\text{Number of shares at the end of the period}}$
Market value	Number of shares, ex. treasury shares, end of period times share price end of period
Number of ships	Owned and chartered ships, including slot charter and vessel sharing agreements

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

ESG definitions

Total number of days operated	Total number of deployment days for vessels in operation
CO2 emissions per GT nautical mile (Own fleet)	Emissions measured as gCO2 per gross tonnage nautical mile for vessels in operation (Own fleet)
CO2 emissions per GT nautical mile (Route network)	Emissions measured as gCO2 per gross tonnage nautical mile for vessels in operation (Route network)
Total fuel consumption (Route network)	Total consumption of heavy fuel oil (HFO) and marine gas oil (MGO) for vessels in operation (Route network)
Spills (>1 barrel)	Incidents of oil spills larger than one barrel into the sea from vessels in operation
Total workforce	Percentage of women in total workforce
Non-office based	Percentage of women of total number of non-office based employees
Office based	Percentage of women of total number of office based employees
Senior management	Percentage of women of total number of senior management positions defined as EVPs and VPs
Managers	Percentage of women of total number of management positions, excluding senior management, defined as positions with responsibility for at least one other employee
Employees	Percentage of women of total number of employees, excluding senior management and managers
Lost time injury frequency (LTIF), sea	Number of registered work-related accidents disabling a seafarer to work for more than 24 hours per one million exposure hours
Lost time injury frequency (LTIF), land	Number of registered work-related accidents disabling a land-based employee work for more than 24 hours per one million exposure hours
Colleagues	Number of fatalities among employees caused by work-related accidents
Contractors	Number of fatalities among third-party contractors caused by work-related accidents while operating for DFDS
Representation of women on Board of Directors (AGM elected members)	Percentage of women of total number of members of the Board of Directors, excluding staff appointed members, elected at the Annual General Meeting
Board nationality – non-Danish (AGM elected members)	Percentage of non-Danish members of total number of members of the Board of Directors elected at the Annual General Meeting
Independent directors (AGM elected members)	Percentage of independent directors of total number of members of the Board of Directors elected at the Annual General Meeting
Attendance at Board meetings (All Board members)	Percentage of total number of Board meetings attended (Not gender specific)
Whistle-blower reporting	Number of cases of whistle-blower reports

DFDS A/S

Marmorvej 18, DK-2100 Copenhagen Ø
CVR 14 19 47 11
www.dfds.com

9 February 2023

Company announcement no.: 3/2023

Contact

Torben Carlsen, CEO: +45 33 42 32 01
Karina Deacon, CFO: +45 33 42 33 42
Søren Brøndholt Nielsen, IR: +45 33 42 33 59
Communications: +45 31 16 28 47

Disclaimer

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

About DFDS

DFDS provides ferry and transport services in and around Europe, generating annual revenues of DKK 27bn.

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 11,500 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.