

Q1 2021 Interim Report

2021 OFF TO A GOOD START

- Fast recovery from Brexit transition
- Mediterranean continued its progress
- Passenger services remained restricted
- EBITDA increased 23% to DKK 750m



Highlights Q1

Q1 2021

- Mediterranean's EBITDA up DKK 101m
- Freight total EBITDA up DKK 165m
- High activity on new Irish route
- Acquisition of HSF Logistics Group

Outlook 2021 (raised 23 April)

- EBITDA of DKK 3.2-3.6bn
- Revenue growth of 20-25%, unchanged

“We came through Brexit better than expected thanks to our focus on customer needs and thorough preparations. Next on our agenda is a successful integration of HSF Logistics Group.”

Torben Carlsen, CEO

Freight revenue increased 5% to DKK 3.7bn in Q1 while passenger revenue decreased 72% to DKK 0.1bn. Total revenue decreased 1% to DKK 3.8bn.

Freight EBITDA before special items increased DKK 165m or 25% to DKK 836m while the passenger EBITDA decreased DKK 42m to DKK -93m. Total EBITDA increased 23% to DKK 750m. The improved result for freight ferry and logistics activities was mainly driven by the Mediterranean business unit and activities linked to the Brexit transition.

Tight travel restrictions for passengers were in place throughout Q1 and passenger volumes therefore remained subdued in the quarter. Passenger services are provided in three business units – Passenger, Channel and Baltic Sea.

Outlook 2021

The EBITDA outlook for 2021 was raised on 23 April 2021 following stronger than expected freight results for most business units. Revenue is still expected to grow by 20-25% while the range for EBITDA before special items was raised to DKK 3.2-3.6bn from previously DKK 3.0-3.5bn (2020: DKK 2.7bn). Uncertainty remains high and significant changes to outlook assumptions may still occur in the rest of the year.

The outlook is detailed on page 8.

KEY FIGURES

DKK m	2021 Q1	2020 Q1	Change, %	2020-21 LTM	2019-20 LTM	Change, %	2020 FY
Revenue	3,768	3,813	-1.2	13,925	16,535	-15.8	13,971
EBITDA before special items	750	610	23.0	2,872	3,565	-19.4	2,732
EBIT before special items	278	133	109.4	1,003	1,650	-39.2	858
Profit before tax and special items	202	98	106.0	687	1,411	-51.3	583
Profit before tax	192	96	99.4	562	1,324	-57.6	466

11 May 2021. Conference call today at 14.00am CET

Access code: 75366786# Phone numbers to the call: DK +45 35445577, US +1 631 913 1422, UK +44 333 300 0804

Key figures

DKK m	2021 Q1	2020 Q1	2020-21 LTM	2020 Full year
Income statement				
Revenue	3,768	3,813	13,925	13,971
• Ferry Division*	2,594	2,628	9,412	9,445
• Logistics Division*	1,426	1,394	5,333	5,301
• Non-allocated items	136	139	489	491
• Eliminations*	-389	-348	-1,309	-1,268
Operating profit before depreciation (EBITDA) and special items	750	610	2,872	2,732
• Ferry Division*	641	525	2,432	2,315
• Logistics Division*	101	95	468	462
• Non-allocated items	8	-10	-27	-45
Profit/loss on disposal of non-current assets, net	1	2	4	5
Operating profit (EBIT) before special items	278	133	1,003	858
Special items, net	-10	-2	-126	-117
Operating profit (EBIT)	268	131	878	741
Financial items, net	-77	-35	-316	-275
Profit before tax	192	96	562	466
Profit for the period	172	81	533	442
Profit for the period excluding non-controlling interest	168	78	523	433
Capital				
Total assets	27,820	26,574	-	27,006
DFDS A/S' share of equity	10,775	10,279	-	10,511
Equity	10,868	10,362	-	10,600
Net interest-bearing debt	11,435	12,308	-	11,361
Invested capital, end of period	22,462	22,822	-	22,121
Invested capital, average	22,291	22,649	22,497	22,500

DKK m	2021 Q1	2020 Q1	2020-21 LTM	2020 Full year
Cash flows				
Cash flows from operating activities, before financial items and after tax	493	433	2,832	2,772
Cash flows from investing activities	-347	-631	-1,334	-1,618
• Acquisition of enterprises and activities	0	-14	0	-14
• Other investments, net	-347	-616	-1,334	-1,603
Free cash flow	146	-197	1,498	1,155
Repayment of lease liabilities and lease interest	-196	-184	-691	-679
Adjusted free cash flow (FCFF)	-50	-381	806	475
Key operating and return ratios				
Average number of employees	7,965	8,577	8,279	8,213
Number of ships	74	71	-	70
Fuel consumption per nautical mile (g/GT/Nm)	4.46	4.74	4.36	4.25
Revenue growth (reported), %	-1.2	-1.5	-0.3	-15.8
EBITDA-margin, %	19.9	16.0	20.6	19.6
Operating margin, %	7.4	3.5	7.2	6.1
Revenue/invested capital average, (times)	-	-	0.6	0.6
Return on invested capital (ROIC), %	-	-	3.6	3.0
ROIC before special items, %	-	-	4.2	3.5
Return on equity, %	-	-	5.0	4.2
Key capital and per share ratios				
Equity ratio, %	39.1	39.0	-	39.3
Net-interest bearing debt/EBITDA, (times)	-	-	4.0	4.2
Earnings per share (EPS), DKK	2.91	1.36	9.12	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	-	58,632
Weighted average number of circulating shares, '000	57,558	57,252	-	57,310
Share price, DKK	324.8	155.0	-	275.2
Market value	18,695	8,885	-	15,790

* North Sea port logistics activities have been transferred from the Ferry Division to the Logistics Division per 1 January 2021. 2020 comparative figures have been restated accordingly.
Definitions on page 29.

Management review

Market overview

Trade volumes in the first two months of Q1 2021 between the EU and the UK were as expected below last year. This reflected the extensive UK stock-building in Q4 2020 and implementation of the new rules and processes of the trade agreement between the EU and the UK.

Implementation of the new agreement initially led to a slowdown in trade which increased turnaround times for transport equipment. This in turn led to a shortage of equipment in the market. Freight volumes began to recover from around March and turnaround times for equipment has to a large extent now normalised. Some market segments are still impacted by teething issues related to the new rules and processes, particularly smaller exporters and importers with part-load and groupage consignments.

Brexit has also led to some rerouting of trade flows, particularly between Ireland and continental Europe. It remains to be seen if the changes are sustainable long-term.

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

Freight activity in regions not impacted by Brexit were generally on level or above last year, including the Baltic region. Freight flows were generally weakened by Covid-19 in the last two weeks of March 2020 which impacts comparisons to last year.

Trade between the EU and Turkey continued to grow in Q1 as the depreciation of the Turkish Lira, TRY, benefited exports while import growth slowed during the quarter. Economic activity was robust in the quarter as growth in the EU and other regions continued to support industrial production. The Turkish economy is expected to continue to grow although domestic demand is likely to be dampened by the currency depreciation and rising inflation.

The European ferry travel market remained as expected subdued in Q1 2021 due to the tight travel restrictions that were in place throughout the quarter.

The main changes in average exchange rates in Q1 2021 vs Q1 2020 were a depreciation of TRY/DKK by 25% and appreciation of SEK/DKK by 5%.

Major events in Q1

New freight ferry route opened between Ireland and France/Continental Europe

To facilitate trade between Ireland and continental Europe, a new freight ferry route was opened on 2 January 2021 between Rosslare in Ireland and Dunkirk in Northern France. The route bypasses the UK to offer trucks and drivers direct and paperless transport between EU countries.

Acquisition of HSF Logistics Group, leading provider of cold chain logistics

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

DFDS has agreed to acquire the HSF Logistics Group for a debt-free price of DKK 2.2bn (EUR 296m). The HSF Logistics Group has revenue of DKK 2.8bn and an EBITDA of around DKK 400m. The company has 1,800 employees and operates around 700 trucks and 1,700 reefer trailers, including both owned and leased units.

The acquisition of HSF Logistics Group is aligned with DFDS' Win23 strategy of growing solutions to selected industries, including cold chain logistics customers.

Closing of the transaction is expected to take place around 1 July 2021 subject to regulatory approval.

More information on the transaction is available from this [link](#).

Oslo-Frederikshavn-Copenhagen route suspended

In November 2020, one of the two ferries deployed on Oslo-Frederikshavn-Copenhagen was laid up and in January 2021 the second ferry was laid up due to the continued tight travel restrictions. The route is currently expected to reopen on 7 June 2021.

Sixth and final mega freight ferry delivered

The final freight ferry newbuilding in a series of six newbuildings was delivered early February and deployed later in the month between Sweden and Belgium.

New route opened between Turkey and Spain

A new freight ferry route was opened in February 2021 between Izmir in Turkey and Tarragona in Spain. A high share of the route's volumes is expected to come from the textile industry. One freight ferry is deployed on the route.

Capacity agreement with UK's Department for Transport (DfT)

In 2020, DFDS entered into an agreement starting on 1 January 2021 with the UK's DfT to ensure ferry freight capacity for vital goods such as medicine and food for the

Revenue

DKK m	Q1 2021	Q1 2020	Change, %	Change
Ferry Division*	2,594	2,628	-1.3	-34
Logistics Division*	1,426	1,394	2.3	32
Non-allocated items	136	139	-2.1	-3
Eliminations	-389	-348	-11.8	-41
DFDS Group	3,768	3,813	-1.2	-46

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

first six months of 2021. The agreement comprises the Dieppe-Newhaven and Rotterdam-Felixstowe routes.

Major events after Q1

New unaccompanied freight ferry route opened between Calais and Sheerness

On 7 April 2021, the opening of a new route between Calais and Sheerness was announced. The new route is opened in response to increasing demand for additional ferry capacity for unaccompanied freight (trailers) between France and the UK. The first departure is planned for 1 June 2021. The new route will have one daily round trip operating seven days per week, deploying one freight ferry (ro-ro).

Opening of duty-free border shops in Calais and Dunkirk

DFDS has since 1 January 2021, in accordance with the new Brexit trade agreement, offered duty-free sales on board our four passenger ferry routes connecting the UK

and the EU – Dover-Calais, Dover-Dunkirk, Amsterdam-Newcastle and Newhaven-Dieppe.

On 30 April 2021, following a tender, DFDS was awarded the right to operate a new duty-free shore-based shop in the Port of Calais. The 1,000 m² shop is expected to open in October 2021. In the Dunkirk port terminal, operated by DFDS, a shore-based duty-free shop of 700 m² is expected to open in July 2021.

It is expected that the shops will offer up to 50 per cent off UK high street prices in line with the current on board offering.

Financial performance

Revenue

The Group's Q1 revenue was DKK 3,768m, a decrease of 1.2% compared to 2020.

Ferry Division's Q1 revenue decreased 1.3% to DKK 2,594m as travel restrictions reduced passenger revenue across business units by DKK 223m or 71.9%. Freight ferry revenue across business units was up 13.6% excluding bunker surcharges. The increase mainly reflects the launch of a new Irish route and standby capacity agreements with DfT. Freight volumes linked to the UK dropped as expected in January but recovered to levels above 2020 faster than expected in the rest of the quarter. Mediterranean's volumes were above 2020 through the quarter.

Logistics Division's Q1 revenue increased 2.3% to DKK 1,426m. Activity linked to the UK dropped as expected in January but likewise recovered to levels above 2020 faster than expected in the rest of the quarter.

Operating profit before depreciation (EBITDA) and special items

The Group's Q1 EBITDA increased 23% to DKK 750m.

Ferry Division's Q1 EBITDA increased 22% to DKK 641m. The freight ferry activities increased EBITDA 27% to DKK 735m while EBITDA for the passenger activities decreased DKK 42m to DKK -94m.

The main drivers of the freight result was continued volume growth and improvement of operational efficiency in the Mediterranean business unit and income from activities linked to the Brexit transition. This included a successful launch of a new route between Ireland and France, standby capacity agreements with DfT and

introduction of customs clearance services. Earnings for activities linked to the UK were reduced in January by a large drop in volumes following the UK stockbuilding in Q4 2020. Volumes and earnings recovered through the rest of the quarter.

The decrease in the result for the passenger activities was mostly due to the first two months of Q1 2021 as the result in those months were not impacted by Covid-19 in 2020.

Logistics Division's Q1 EBITDA increased 6% to DKK 101m. Earnings in all three business units were reduced in January as the introduction of new rules and processes post Brexit slowed trade and turnaround times for equipment generating extra costs. Through the remainder of the quarter trading and earnings recovered for most traffics. Some mitigation from customs clearance activities were achieved in Q1.

EBITDA for Non-allocated corporate costs was an income of DKK 8m, a positive variance of DKK 18m compared to 2020 due to cost savings and timing differences.

The Group's Q1 result includes compensations of DKK 29m from government Covid-19 programs.

Depreciation and operating profit (EBIT) before special items

Depreciation in Q1 of DKK 470m decreased 2% compared to 2020 as redelivery of chartered freight ferries more than offset the increase in depreciation from freight ferry newbuildings.

The Group's Q1 EBIT before special items increased DKK 145m or 109% to DKK 278m.

Special items and operating profit (EBIT) after special items

In Q1 2021, special items were a net cost of DKK 10m related to acquisition and integration planning costs regarding HSF Logistics Group.

The Group's Q1 EBIT after special items increased DKK 137m or 105% to DKK 268m.

Financial items

Total finance, net in Q1 was a cost of DKK 77m which was an increase of DKK 42m compared to Q1 2020. The net interest cost increased DKK 9m mainly due to increased interest costs related to a temporary waiver of loan covenants. The waiver was cancelled by DFDS in May 2021. The remainder of the increase was related to a negative variance on net currency adjustments primarily due to an income in 2020.

Profit before special items and tax

The Q1 profit before special items and tax increased DKK 104m or 106% to DKK 202m. The profit for the period increased DKK 91m or 112% to DKK 172m.

Earnings per share

Q1 earnings per share (EPS) increased to DKK 2.91 compared to DKK 1.36 in Q1 2020.

Cash flow and investments

The Q1 cash flow from operating activities was DKK 538m. The Q1 free cash flow (FCFF) was DKK 146m and DKK -50m adjusted for payment of lease liabilities including interest. Net investments in Q1 amounted to a negative cash flow of DKK 347m that included DKK 296m of ferry investments.

The Q1 cash flow from financing activities was positive by DKK 166m. This included a net cash flow from loans of DKK 298m, payment of lease liabilities of DKK 180m and a cash inflow of DKK 48m from the exercise of share options. The Q1 net cash flow was positive by DKK 260m and cash and cash equivalents thus increased to DKK 1,522m at the end of Q1.

Invested capital and ROIC

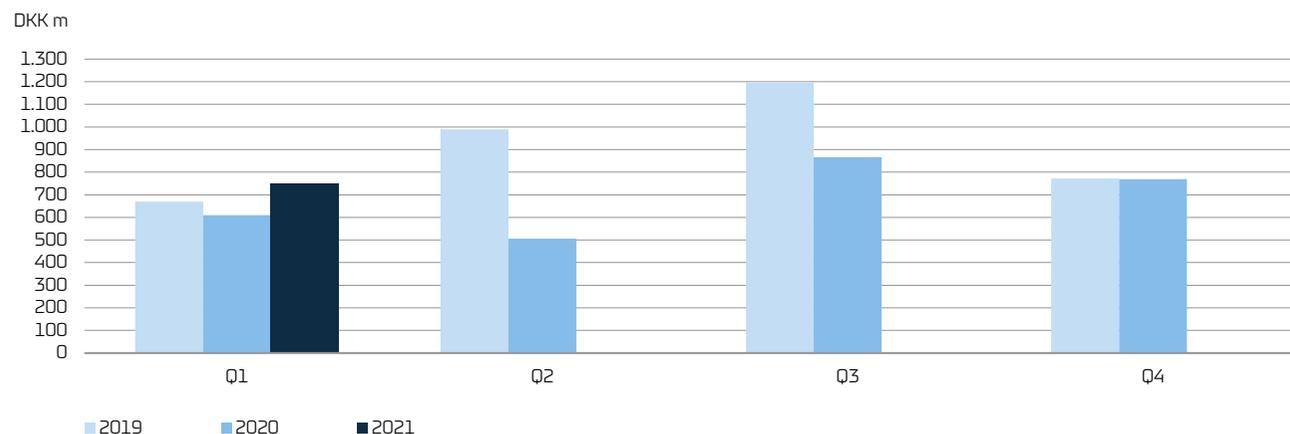
Invested capital was DKK 22.5bn at the end of Q1 2021 which was 2% lower than the same period in 2020. The average invested capital in Q1 2021 decreased 2% to DKK 22.3bn compared to Q1 2020.

The return on invested capital, ROIC, for Q1 2021 (last twelve months) improved to 4.2% before special items compared to 3.5% for 2020.

Capital structure

At the end of Q1 2021 net-interest-bearing debt (NIBD) was DKK 11.4bn, a decrease of 7% compared to the end of Q1 2020. Financial leverage, as measured by the ratio of NIBD to EBITDA before special items, was a ratio of 4.0 compared to 4.2 at year-end 2020.

DFDS GROUP - EBITDA BEFORE SPECIAL ITEMS



Operating profit before depreciation (EBITDA) & special items

DKK m	Q1 2021	Q1 2020	Change, %	Change
Ferry Division*	641	525	22.2	116
Logistics Division*	101	95	6.4	6
Non-allocated items	8	-10	-183.4	18
DFDS Group	750	610	23.0	141
EBITDA-margin, %	19.9	16.0	n.a.	3.9

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

Associates and joint ventures, profits on disposals and depreciation

DKK m	Q1 2021	Q1 2020	Change, %	Change
EBITDA before special items	750	610	23.0	141
Associates and joint ventures	-3	-2	n.a.	-2
Profit on disposals	1	2	n.a.	-1
Depreciation and impairment	-470	-477	1.5	7
EBIT before special items	278	133	109.4	145

Financial items

DKK m	Q1 2021	Q1 2020	Change, %	Change
Interests, net	-70	-61	-15.2	-9
Foreign exchange gains/losses, net	-3	30	109.2	-32
Other items, net	-4	-4	0.7	0
Total finance, net	-77	-35	-118.6	-42

Equity

Equity amounted to DKK 10,868m at the end of Q1 2021, including non-controlling interests of DKK 93m. This was an increase of 5% compared to the end of Q1 2020. Total comprehensive income for Q1 2021 was DKK 219m. There were no material transactions with owners in Q1 2021.

The equity ratio was 39% at the end of Q1 2021 which was on level with Q1 2020.

Outlook 2021

The EBITDA outlook for 2021 was raised on 23 April 2021 following stronger than expected freight results for most business units. The key outlook assumptions have been updated below.

Uncertainty remains high and significant changes to outlook assumptions may still occur in the rest of the year.

Key freight outlook assumptions for 2021

During Q1 trade between the EU and UK stabilised faster than expected. Earnings in 2021 for UK-linked activities are therefore no longer expected to be below 2020.

The Mediterranean business unit improved earnings more than expected in Q1 and the positive earnings trend is expected to continue.

In the Baltic region, freight ferry capacity in the market is still expected to increase compared to 2020.

OUTLOOK 2021*

DKK m	New outlook 2021	Previous outlook 2021	2020
Revenue growth	20-25%	20-25%	13,971
EBITDA before special items	3,200-3,600	3,000-3,500	2,732
Per division:			
Ferry Division	2,550-2,850	2,300-2,700	2,332
Logistics Division	700-800	750-850	445
Non-allocated items	-50	-50	-45
EBIT before special items	1,200-1,600	1,000-1,500	858
Investments	-2,800	-2,800	-1,618

*Including acquisition of HSF Logistics Group assumed from 1 July

A competing ferry company has announced a plan to deploy one or more combined freight and passenger ferries (ro-pax) between Dover and Calais in June 2021.

Key outlook assumptions for HSF Logistics Group

The acquisition of HSF Logistics Group is assumed to be consolidated from 1 July 2021 compared to previously 1 May 2021. The consolidation is now expected to include revenue of around DKK 1.3bn and EBITDA before special items of around DKK 200m. The acquisition is subject to regulatory approval.

Key passenger outlook assumptions for 2021

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

It is assumed that around 25%, compared to previously around 40%, of the decrease in 2020 is regained in 2021

as travel restrictions are now expected to be eased later in Q2. The high season for ferry travel is Q3 and the outlook is thus especially sensitive to the scope of restrictions in this quarter.

Revenue outlook

The Group's revenue is still expected to increase by 20-25% compared to 2020. The main growth drivers are the addition of HSF Logistics Group, the opening of a new route between Ireland and France and an increase in passenger volumes.

EBITDA outlook before special items

The outlook for the Group's EBITDA before special items was raised on 23 April 2021 to a range of DKK 3.2-3.6bn (2020: DKK 2.7bn). The range was previously DKK 3.0-3.5bn. See the outlook table for a divisional split.

EBIT outlook before special items

The Group's EBIT before special items is expected to be within a range of DKK 1.2-1.6bn (2020: DKK 858m). The range was previously DKK 1.0-1.5bn.

Investments

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

Investments in 2021 are expected to comprise:

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

Various risks and uncertainties pertain to the outlook.

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

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

The outlook can moreover be impacted by political changes, first and foremost within EU and Turkey. The introduction of a new trade agreement between the EU and the UK and its possible

consequences constitute an important risk.

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

Future financial results may therefore differ significantly from expectations.



UK freight ferry volumes recovered through Q1

DFDS' Vlaardingen port terminal is the hub for two freight ferry routes to Felixstowe and Immingham, respectively, in the UK. After a drop in volumes in January caused by the Brexit transition, volumes picked up through the rest of the quarter.

Ferry Division

The division is organised in five business units:

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

Q1 market, activity and result trends

Total Q1 freight volumes increased 1.7% compared to 2020. Net adjustments for structural route changes reduced growth 0.6 ppt to 1.1%.

Total Q1 passenger volumes decreased 85.7% compared to 2020 due to the tight travel restrictions that were in place throughout the quarter.

North Sea

Q1 freight volumes were up 0.4% compared to 2020 with growth distributed unevenly through the quarter. In January, volumes on routes calling the UK dropped as expected considerably due to the UK stockbuilding ahead of Brexit in Q4 2020. For the last two months of Q1, volumes on UK routes were above 2020. Volumes

Ferry Division

DKK m	2021	2020*				2020-21	2020*
	Q1	Q1	Q2	Q3	Q4	LTM	Full year
Revenue	2,594	2,628	1,808	2,469	2,540	9,412	9,445
EBITDA before special items	641	525	392	730	668	2,432	2,315
Share of profit/loss of associates and joint ventures	-3	-2	-2	-2	0	-7	-5
Profit/loss on disposal of non-current assets, net	1	0	0	1	0	2	1
Depreciation and impairment	-387	-386	-368	-366	-390	-1,511	-1,509
EBIT before special items	251	137	23	363	278	916	802
EBIT margin before special items, %	9.7	5.2	1.3	14.7	11.0	9.7	8.5
Special items, net	0	0	79	-72	-105	-99	-98
EBIT	251	137	102	291	173	817	703
Invested capital, average	20,299	20,214	20,235	20,275	20,259	20,291	20,222
ROIC before special items, %	-	-	-	-	-	4.4	3.8
Average number of employees	5,151	5,806	-	-	-	5,498	5,452
Lane metres, '000	10,246	10,079	8,394	10,529	11,883	41,052	40,886
Tons, '000	167	194	166	138	166	638	664
Passengers, '000	83	579	152	578	186	1,002	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.

between Sweden and Belgium were above 2020 through the quarter.

Q1 EBITDA increased 3% to DKK 301m. Income from activities related to the Brexit transition were offset by a higher net bunker cost mainly due to a lower oil price spread compared to Q1 2020.

Baltic Sea

Q1 freight volumes were up 11.8% compared to 2020 adjusted for route changes. The volume increase was mainly due to an increase in capacity between Estonia and Sweden where a second ferry was deployed. Activity

levels were also higher on the other Baltic routes. Although passenger travel was restricted, volumes were 2.4% above 2020 as more passengers between Estonia and Sweden offset lower volumes on the other routes.

Q1 EBITDA decreased 15% to DKK 83m as the positive impact of higher volumes was more than offset by a higher net bunker cost mainly due to a lower oil price spread compared to Q1 2020.

Channel

Q1 freight volumes were 2.9% above 2020 driven by the new route between Ireland and France that was launched

on 2 January 2021. Volumes were down 2.0% excluding the new route. Volumes were otherwise unevenly distributed through the quarter as January volumes dropped as expected considerably due to the UK stockbuilding ahead of Brexit in Q4 2020. For the last two months of Q1, volumes were above 2020.

Q1 passenger volumes were down 89.8% as tight travel restrictions were upheld throughout the quarter. Duty-free sales were introduced at the start of the year.

Q1 EBITDA increased DKK 35m or 90% to DKK 74m driven by a successful launch of the new Irish route and income from other activities related to the Brexit transition. This was partly offset by a lower result from passenger activities and a higher net bunker cost.

Mediterranean

Q1 freight volumes increased 9.6% driven by continued growth in trade between Turkey and Europe as well as the opening of a new route between Turkey and Spain. The volume growth was also supported by a further stabilisation of operations.

Q1 EBITDA increased DKK 101m or 69% to DKK 248m driven by the higher volumes and cost improvements as well as better results for the port terminal and rail activities.

Passenger

Due to tight travel restrictions in the quarter, the route between Norway and Denmark was suspended throughout the quarter. Both ferries between the Netherlands and the

UK operated in the quarter to support freight volumes. The total decrease in passenger volumes was 97.2%.

Q1 EBITDA decreased 15% to DKK -100m due to a lower result in the first two months of the quarter as Covid-19 began to disrupt activities during March last year.

Non-allocated items

These items primarily include external charter activities. Q1 EBITDA decreased 7% to DKK 36m.

Ferry Division

DKK m	2021	2020				2020-21	2020
	Q1	Q1	Q2	Q3	Q4	LTM	Full year
North Sea*							
Revenue	971	944	707	816	953	3,448	3,420
EBITDA before special items	301	291	252	282	342	1,177	1,168
EBIT before special items	150	145	122	154	190	615	610
Invested capital	6,762	5,931	5,964	5,856	6,054	6,114	5,951
ROIC before special items, %	-	-	-	-	-	9.9	10.1
Lane metres freight, '000	3,358	3,350	2,657	3,264	3,758	13,037	13,028
Tons, '000	167	194	166	138	166	638	664
Baltic Sea							
Revenue	306	323	307	327	310	1,250	1,268
EBITDA before special items	83	97	119	138	80	420	434
EBIT before special items	51	57	78	95	39	263	268
Invested capital	1,525	1,712	1,642	1,646	1,844	1,674	1,625
ROIC before special items, %	-	-	-	-	-	15.5	16.4
Lane metres freight, '000	1,104	1,140	1,100	1,099	1,094	4,398	4,434
Passengers, '000	40	39	54	69	47	210	209
Channel							
Revenue	568	512	361	573	566	2,068	2,012
EBITDA before special items	74	39	32	135	129	369	334
EBIT before special items	-16	-22	-27	73	67	97	91
Invested capital	1,701	1,811	1,779	1,677	1,573	1,708	1,713
ROIC before special items, %	-	-	-	-	-	5.6	5.2
Lane metres freight, '000	4,531	4,404	3,939	5,016	5,672	19,158	19,031
Passengers, '000	38	367	98	406	119	659	989
Mediterranean							
Revenue	670	581	331	529	631	2,160	2,071
EBITDA before special items	248	147	66	188	230	732	631
EBIT before special items	155	55	-26	90	126	345	245
Invested capital	9,558	9,858	9,910	9,798	9,535	9,732	9,787
ROIC before special items, %	-	-	-	-	-	3.5	2.4
Lane metres freight, '000	1,191	1,087	696	1,045	1,206	4,138	4,034
Passenger							
Revenue	31	209	27	190	62	310	489
EBITDA before special items	-100	-87	-101	-42	-143	-386	-373
EBIT before special items	-124	-130	-146	-75	-172	-518	-524
Invested capital	629	871	673	634	575	676	722
ROIC before special items, %	-	-	-	-	-	-77.4	-73.1
Lane metres freight, '000	61	99	2	104	154	321	359
Passengers, '000	5	173	3	104	21	132	300
Non-allocated items							
Revenue	86	102	111	91	132	420	436
EBITDA before special items	36	39	24	28	31	118	122
EBIT before special items	35	32	23	27	29	114	112

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

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

Logistics Division

The division is organised in three business units:

- Nordic
- Continent
- UK & Ireland

Q1 market, activity and result trends

Total Q1 logistics volumes increased 3.6% compared to 2020. Net adjustments for structural changes reduced growth to -5.1% reflecting a considerable drop in volumes in mainly January caused by the Brexit transition. Customs clearance services for UK volumes were launched in the quarter in all business units.

Nordic

Q1 transported units decreased 8.9% adjusted for Finnish volumes not included in the reporting in 2020. Volumes were mainly lower for activities linked to the UK due to a drop in January volumes caused by the Brexit transition. During the quarter volumes stabilised and increased to a level above 2020.

Q1 EBITDA decreased slightly to DKK 31m due to the initial negative impact of the Brexit transition, including higher equipment costs on UK-linked activities.

Logistics Division

DKK m	2021	2020*				2020-21	2020*
	Q1	Q1	Q2	Q3	Q4	LTM	Full year
Revenue	1,426	1,394	1,147	1,316	1,444	5,333	5,301
EBITDA before special items	101	95	95	150	123	468	462
Profit/loss on disposal of non-current assets, net	0	2	2	0	0	2	3
Depreciation and impairment	-62	-74	-74	-74	-70	-280	-292
EBIT before special items	39	22	22	76	52	190	173
EBIT margin before special items, %	2.7	1.6	1.9	5.8	3.6	3.6	3.3
Special items, net	0	0	-4	-7	-1	-12	-12
EBIT	39	22	18	69	51	177	161
Invested capital, average	1,469	1,737	1,727	1,584	1,465	1,579	1,613
ROIC before special items, %	-	-	-	-	-	9.6	8.5
Average number of employees	2,159	2,113	-	-	-	2,127	2,112
Units, '000	132	142	114	134	142	522	525

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

Continent

Q1 transported units were down 1.5% compared to 2020 as high activity in all Dutch and German activities in the second half of the quarter was offset by both a drop in volumes from the Brexit transition and lower volumes from sectors exposed to Covid-19 in Belgium, including airline catering.

Q1 EBITDA increased 9% to DKK 31m as an improved result for the special cargo activity offset the initial negative impact of the Brexit transition, including higher equipment costs, on UK-linked activities. The special cargo result included one-off costs in 2020.

UK & Ireland

Q1 transported units decreased 9.4%. The volume decrease mainly reflects downscaling of activity in a cold store in Warrington. Despite customer clearance issues for seafood exports in the beginning of the quarter, the Q1 Scottish aquaculture volumes ended the quarter above 2020. Other cold chain volumes declined as Covid-19 increased demand in 2020.

Q1 EBITDA increased 13% to DKK 39m mainly due to a higher result for the cold chain activities and activities linked to the Brexit transition, including customs clearance and standby capacity agreements.

Logistics Division

DKK m	2021	2020				2020-21	2020
	Q1	Q1	Q2	Q3	Q4	LTM	Full year
Nordic*							
Revenue	444	453	366	387	453	1,651	1,659
EBITDA before special items	31	32	18	40	41	130	131
EBIT before special items	13	12	-2	19	22	51	50
Invested capital	388	465	409	372	379	403	399
ROIC before special items, %	-	-	-	-	-	10.5	10.4
Units, '000 **	29.8	27.7	23.1	26.7	31.4	110.9	108.9
Continent*							
Revenue	644	633	523	605	661	2,433	2,423
EBITDA before special items	31	28	41	55	41	168	166
EBIT before special items	6	-2	13	30	15	63	55
Invested capital	580	799	710	625	588	660	711
ROIC before special items, %	-	-	-	-	-	7.5	6.1
Units, '000	57.5	58.4	48.0	56.5	61.6	223.6	224.5
UK & Ireland*							
Revenue	443	403	357	421	430	1,651	1,611
EBITDA before special items	39	34	36	55	41	170	165
EBIT before special items	20	12	11	28	16	75	67
Invested capital	545	527	544	507	458	516	504
ROIC before special items, %	-	-	-	-	-	11.5	10.6
Units, '000	45.2	49.9	42.6	50.3	49.0	187.1	191.8
Non-allocated items							
Revenue	35	27	26	20	15	97	89
EBITDA before special items	0	0	0	0	0	0	0
EBIT before special items	1	0	0	0	0	1	0

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

** Excluding volumes related to automotive Logistics contract.

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

Management statement

The Board of Directors and the Executive Board have reviewed and approved the interim report of DFDS A/S for the period 1 January – 31 March 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 March 2021 and of the results of the DFDS Group's operations and cash flow for the period 1 January – 31 March 2021.

Further, in our opinion, the Management review p. 2-15 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, 11 May 2021



Executive Board Torben Carlsen, CEO, Karina Deacon, CFO

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

DFDS Group Income statement

DKK m	Note	2021 Q1	2020 Q1	2020-21 LTM	2020 Full year
Revenue	3	3,768	3,813	13,925	13,971
Costs					
Ferry and other ship operation and maintenance		-699	-851	-2,417	-2,569
Freight handling		-625	-634	-2,373	-2,383
Transport solutions		-804	-777	-2,931	-2,905
Employee costs		-746	-780	-2,828	-2,862
Costs of sales and administration		-143	-160	-503	-520
Operating profit before depreciation (EBITDA) and special items					
		750	610	2,872	2,732
Share of profit/loss of associates and joint ventures		-3	-2	-7	-5
Profit/loss on disposal of non-current assets, net		1	2	4	5
Depreciation, ferries and other ships		-300	-299	-1,154	-1,153
Depreciation, other non-current assets		-169	-178	-712	-721
Impairment losses, other non-current assets		0	0	0	0
Operating profit (EBIT) before special items					
		278	133	1,003	858
Special items, net	4	-10	-2	-126	-117
Operating profit (EBIT)					
		268	131	878	741
Financial income		1	30	6	5
Financial costs		-78	-65	-322	-280
Profit before tax					
		192	96	562	466
Tax on profit		-20	-15	-28	-24
Profit for the period					
		172	81	533	442
Attributable to:					
Equity holders of DFDS A/S		168	78	523	433
Non-controlling interests		4	4	10	9
Profit for the period					
		172	81	533	442
Earnings per share					
Basic earnings per share (EPS) of DKK 20, DKK		2.91	1.36	9.12	7.56
Diluted earnings per share (EPS-D) of DKK 20, DKK		2.91	1.36	9.12	7.56

DFDS Group – statement of Comprehensive income

DKK m	2021 Q1	2020 Q1	2020-21 LTM	2020 Full year
Profit for the period	172	81	533	442
Other comprehensive income				
Items that will not be reclassified subsequently to the Income statement:				
Remeasurement of defined benefit pension obligations	0	-31	-29	-59
Items that will not be reclassified subsequently to the Income statement	0	-31	-29	-59
Items that are or may be reclassified subsequently to the Income statement:				
Value adjustment of hedging instruments:				
Value adjustment for the period	1	106	-209	-103
Value adjustment transferred to operating costs	-8	1	-3	6
Value adjustment transferred to financial costs	4	4	16	17
Value adjustment transferred to non-current tangible assets	33	-30	26	-38
Tax on items that may be reclassified to the Income statement	0	7	3	9
Foreign exchange adjustments, subsidiaries	16	-136	114	-37
Items that are or may be reclassified subsequently to the Income statement	47	-48	-52	-147
Total other comprehensive income after tax	47	-79	-81	-206
Total comprehensive income	219	3	452	236
Attributable to:				
Equity holders of DFDS A/S	214	-1	442	227
Non-controlling interests	4	3	10	9
Total comprehensive income	219	3	452	236

DFDS Group - Balance sheet

Assets

DKK m	2021 Q1	2020 Q1	2020 Full year
Goodwill	3,439	3,444	3,434
Other non-current intangible assets	1,163	1,215	1,174
Software	237	242	239
Development projects in progress	60	31	55
Non-current intangible assets	4,899	4,931	4,901
Land and buildings	190	200	183
Terminals	733	746	720
Ships	11,507	11,267	11,220
Equipment, etc.	699	782	723
Assets under construction and prepayments	689	757	887
Right-of-use assets	3,153	3,239	3,133
Non-current tangible assets	16,971	16,991	16,867
Investments in associates, joint ventures and securities	45	49	49
Receivables	17	5	17
Prepaid costs	309	95	337
Deferred tax	55	49	57
Derivative financial instruments	96	252	76
Other non-current assets	522	451	536
Non-current assets	22,391	22,373	22,304
Inventories	201	167	169
Trade receivables	2,419	2,458	2,014
Receivables from associates and joint ventures	25	45	28
Other receivables	619	473	589
Prepaid costs	346	390	309
Derivative financial instruments	115	166	149
Cash	1,522	280	1,261
Current assets	5,247	3,979	4,520
Assets classified as held for sale	182	221	182
Total current assets	5,429	4,201	4,702
Assets	27,820	26,574	27,006

Equity and liabilities

DKK m	2021 Q1	2020 Q1	2020 Full year
Share capital	1,173	1,173	1,173
Reserves	-222	-172	-273
Retained earnings	9,824	9,278	9,611
Proposed dividends	0	0	0
Equity attributable to equity holders of DFDS A/S	10,775	10,279	10,511
Non-controlling interests	93	83	89
Equity	10,868	10,362	10,600
Interest-bearing liabilities	9,651	8,938	9,313
Lease liabilities	2,390	2,486	2,407
Deferred tax	213	201	217
Pension and jubilee liabilities	203	182	197
Other provisions	44	47	46
Derivative financial instruments	86	256	149
Non-current liabilities	12,587	12,111	12,329
Interest-bearing liabilities	439	420	415
Lease liabilities	571	534	519
Trade payables	2,413	2,103	2,090
Payables to associates and joint ventures	47	106	51
Other provisions	79	33	78
Corporation tax	31	39	61
Other payables	654	611	674
Derivative financial instruments	10	34	52
Prepayments	119	221	136
Current liabilities	4,365	4,101	4,077
Liabilities	16,952	16,211	16,406
Equity and liabilities	27,820	26,574	27,006

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

DKK m	Reserves							Equity attributable to equity holders of DFDS A/S	Non-controlling interests	Total
	Share capital	Translation reserve	Hedging Reserve	Treasury shares	Retained earnings	Proposed dividends				
Equity at 1 January 2021	1,173	-394	147	-25	9,611	0	10,511	89	10,600	
Comprehensive income for the period										
Profit for the period					168		168	4	172	
Other comprehensive income										
Items that are or may be reclassified subsequently to the Income statement:										
Value adjustment of hedging instruments for the period			1				1		1	
Value adjustment transferred to operating costs			-8				-8		-8	
Value adjustment transferred to financial costs			4				4		4	
Value adjustment transferred to non-current tangible assets			33				33		33	
Foreign exchange adjustments, subsidiaries		16					16	0	16	
Items that are or may subsequently be reclassified to the Income statement	0	16	31	0	0	0	47	0	47	
Total other comprehensive income after tax	0	16	31	0	0	0	47	0	47	
Total comprehensive income	0	16	31	0	168	0	214	4	219	
Transactions with owners										
Vested share-based payments					2		2		2	
Cash from sale of treasury shares related to exercise of share options				4	44		48		48	
Transactions with owners	0	0	0	4	46	0	49	0	50	
Equity at 31 March 2021	1,173	-378	177	-21	9,824	0	10,775	93	10,868	

DFDS Group - Statement of changes in equity 1 January - 31 March 2020

DKK m	Share capital	Translation reserve	Hedging Reserve	Treasury shares	Retained earnings	Proposed dividends	Equity attributable to equity holders of DFDS A/S	Non-controlling interests	Total
Equity at 1 January 2020	1,173	-357	266	-28	8,988	235	10,276	80	10,356
Comprehensive income for the period									
Profit for the period					78		78	4	81
Other comprehensive income									
Items that will not subsequently be reclassified to the income statement:									
Remeasurement of defined benefit pension obligations					-31		-31		-31
Items that will not subsequently be reclassified to the Income statement	0	0	0	0	-31	0	-31	0	-31
Items that are or may be reclassified subsequently to the Income statement:									
Value adjustment of hedging instruments for the period			106				106		106
Value adjustment transferred to operating costs			1				1		1
Value adjustment transferred to financial costs			4				4		4
Value adjustment transferred to non-current tangible assets			-30				-30		-30
Tax on items that will be reclassified to the Income statement					7		7		7
Foreign exchange adjustments, subsidiaries		-135					-135	0	-136
Items that are or may subsequently be reclassified to the Income statement	0	-135	81	0	7	0	-48	0	-48
Total other comprehensive income after tax	0	-135	81	0	-24	0	-79	0	-79
Total comprehensive income	0	-135	81	0	53	0	-1	3	3
Transactions with owners									
Cancellation of proposed dividend at year-end 2019*					235	-235	0		0
Vested share-based payments					3		3		3
Cash from sale of treasury shares related to exercise of share options				2	-2		1		1
Transactions with owners	0	0	0	2	236	-235	4	0	4
Equity at 31 March 2020	1,173	-492	347	-26	9,278	0	10,279	83	10,362

* 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 Q1	2020 Q1	2020-21 LTM	2020 Full year
Operating profit before depreciation (EBITDA) and special items	750	610	2,872	2,732
Cash flow effect from special items related to operating activities	-12	-57	-80	-125
Adjustments for non-cash operating items, etc.	6	3	47	45
Change in working capital	-200	-116	64	148
Payment of pension liabilities and other provisions	-7	-8	-31	-31
Cash flow from operating activities, gross	538	433	2,874	2,769
Interest received, etc.	9	1	17	3
Interest paid, etc.	-61	-67	-276	-276
Taxes paid	-45	0	-42	3
Cash flow from operating activities, net	441	367	2,573	2,499
Investments in ships including dockings, rebuildings and ships under construction (incl. settlement of forward exchange contracts) related thereto	-296	-546	-1,172	-1,422
Sale of ships including prepayment received on ship held for sale	0	0	202	202
Investments in other non-current tangible assets	-45	-62	-177	-195
Sale of other non-current tangible assets	4	9	22	27
Investments in non-current intangible assets	-14	-18	-66	-70
Acquisition of enterprises, associates, joint ventures and activities	0	-14	0	-14
Other investing cash flows	3	1	-143	-146
Cash flow to/from investing activities, net	-347	-631	-1,334	-1,618
Cash flow before financing activities, net	94	-263	1,239	882
Proceed from bank loans and loans secured by mortgage in ships	364	847	1,509	1,992
Repayment and instalments of bank loans and loans secured by mortgage in ships	-66	-978	-878	-1,791
Payment of lease liabilities	-180	-165	-617	-602
Proceeds from sale of treasury shares	0	0	2	2
Cash received from exercise of share options	48	1	48	1
Other financing cash flows	0	0	-60	-60
Cash flow to/from financing activities, net	166	-295	4	-458
Net increase (decrease) in cash and cash equivalents	260	-559	1,243	424
Cash and cash equivalents at beginning of period	1,261	840	280	840
Foreign exchange and value adjustments of cash and cash equivalents	1	-1	0	-2
Cash and cash equivalents at end of period *	1,522	280	1,522	1,261

* At 31 March 2021 DKK 147m (31 March 2020: DKK 108m) 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 our principal accounting policies and 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 Q1 2021 compared to year-end 2020, particularly related to passenger traffic that has been impacted by and still is impacted by travel restrictions.

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

Impairment considerations due to Covid-19

Impairment testing is undertaken once a year unless indications of impairment occur. The ongoing consequences of Covid-19 are still considered such an indication and consequently, DFDS has in Q1 2021 revisited its impairment calculations from year-end 2020.

While the current Covid-19 situation is an impairment indicator, it is still reasonable to assume that the situation from a long-term perspective is temporary. DFDS' main assets have a long lifetime and the impairment tests at year-end 2020 showed significant headroom for all other CGU's than the Oslo-Frederikshavn-Copenhagen route. In Q4 2020, DFDS recognised an impairment loss of DKK 100m on the Oslo-Frederikshavn-Copenhagen route. In Q1 2021 Management has revisited forecasts for all CGUs and concludes that the assumptions applied at year-end 2020 remains valid for all CGUs.

Receivables

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

Other areas

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

Note 2 Segment Information

DKK m	Ferry Division	Logistics Division	Non- allocated	Total
Q1 2021				
External revenue	2,354	1,410	4	3,768
Intragroup revenue	240	17	133	389
Total revenue	2,594	1,426	136	4,157
Operating profit (EBITDA) before special items	641	101	8	750
Operating profit (EBIT) before special items	251	39	-12	278
Operating profit after special items (EBIT)	251	39	-22	268
Invested capital, average	20,299	1,469	523	22,291

DKK m	Ferry Division*	Logistics Division*	Non- allocated	Total
Q1 2020				
External revenue	2,424	1,387	2	3,813
Intragroup revenue	204	8	137	348
Total revenue	2,628	1,394	139	4,162
Operating profit (EBITDA) before special items	525	95	-10	610
Operating profit (EBIT) before special items	137	22	-27	133
Operating profit after special items (EBIT)	137	22	-28	131
Invested capital, average	20,214	1,737	698	22,649

* 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	Q1 2021			Total
	Ferry Division	Logistics Division	Non-allocated	
Geographical markets				
North Sea	826	-	0	826
Baltic Sea	292	-	0	292
English Channel	571	-	0	571
Mediterranean	666	-	0	666
Continent	-	622	0	622
Nordic	-	405	0	405
UK/Ireland	-	383	0	383
Other	0	0	4	4
Total	2,354	1,410	4	3,768
Product and services				
Seafreight and shipping logistics solutions	1,944	50	0	1,994
Transport solutions	4	1,340	0	1,344
Passenger seafare and on board sales	87	0	0	87
Terminal services	203	1	0	205
Charters	69	0	0	69
Agency and other revenue	46	18	4	68
Total	2,354	1,410	4	3,768

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 34m (Q1 2020: DKK 1.37m).

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 69m (Q1 2020: DKK 87m).

DKK m	Q1 2020			Total
	Ferry Division	Logistics Division	Non-allocated	
Geographical markets				
North sea*	1,043	-	0	1,043
Baltic sea	306	-	0	306
English Channel	498	-	0	498
Mediterranean	577	-	0	577
Continent*	-	610	0	610
Nordic*	-	416	0	416
UK/Ireland*	-	361	0	361
Other	0	0	2	2
Total	2,424	1,387	2	3,813
Product and services				
Seafreight and shipping logistics solutions	1,858	0	0	1,858
Transport solutions*	0	1,321	0	1,322
Passenger seafare and on board sales	311	0	0	311
Terminal services*	143	33	0	176
Charters	87	0	0	87
Agency and other revenue*	25	33	2	60
Total	2,424	1,387	2	3,813

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

Note 4 Special items

DKK m	2021 Q1	2020 Q1
Acquisition and integration planning costs relating to HSF Logistics Group	-10	0
Accrual of the total estimated costs (estimated fair value) related to the DFDS shares awarded to DFDS employees as a special one-off award in connection with DFDS' 150 years anniversary in December 2016. The costs accrue from December 2016 to February 2020	0	-2
Special items, net	-10	-2

Note 5 Acquisition of enterprises and sale of activities

2021

On 26 January 2021 DFDS entered into an agreement to acquire HSF Logistics Group for a debt-free price of DKK 2.2bn (EUR 296m). Closing of the transaction is still subject to regulatory approval assumed to be received around 1 July 2021 compared to previously 1 May 2021.

2020

There has been no significant acquisitions nor disposals in 2020.

Note 6 Fair value measurement of financial instruments

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

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

There were no transfers between the levels in the fair value hierarchy in Q1 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	Q1 2021		Q1 2020	
	Fair value	Carrying amount	Fair value	Carrying amount
Financial assets				
Derivatives (Level 2)	211	211	417	417
Securities (Level 3)	10	10	10	10
Financial liabilities				
Derivatives (Level 2)	96	96	290	290

Note 7 Supplementary financial information on the Parent Company

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

The Parent Company's revenue decreased by DKK 198m, equivalent to 10%. Operating profit before depreciation and special items (EBITDA) increased to DKK 408m from DKK 403m, equivalent to an increase of 1%.

Profit before tax decreased from DKK -12m in Q1 2020 to DKK -37m in Q1 2021.

The Parent Company's net interest-bearing debt increased from DKK 4,467m at 31 March 2020 to DKK 4,583m at 31 March 2021.

DKK m	2021 Q1	2020 Q1	2020-21 LTM	2020 Full year
Income statement				
Revenue	1,816	2,014	7,187	7,385
Operating profit before depreciation (EBITDA) and special items	408	403	1,763	1,758
Operating profit (EBIT) before special items	-18	-19	106	104
Special items, net	-10	-1	-181	-172
Operating profit (EBIT)	-27	-20	-75	-68
Financial items, net	-10	8	185	203
Profit before tax	-37	-12	110	135
Profit for the period	-38	-14	116	140
Assets				
Non-current intangible assets	405	378		400
Non-current tangible assets	5,620	5,170		5,458
Right-of-use assets	1,117	1,476		1,404
Investments in affiliated companies, associates and joint ventures	6,766	6,624		6,760
Non-current receivables from affiliated companies	260	204		261
Other non-current assets	129	254		110
Non-current assets	14,298	14,106		14,393
Current receivables from affiliated companies	732	1,187		699
Receivables from associates and joint ventures	24	45		27
Cash	912	24		735
Other current assets	1,549	1,393		1,381
Current assets	3,217	2,649		2,842
Assets	17,515	16,755		17,236
Equity and liabilities				
Equity	9,425	9,391		9,382
Non-current liabilities	3,290	2,892		3,093
Current liabilities to affiliated companies	2,215	1,950		2,139
Other current liabilities	2,584	2,522		2,622
Current liabilities	4,799	4,472		4,762
Equity and liabilities	17,515	16,755		17,236
Equity ratio, %	53.8%	56.0%		54.4%
Net interest-bearing debt	4,583	4,467		4,718

Definitions

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

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Disclaimer

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

About DFDS

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

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

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

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