

# DFDS Remuneration Report 2023



<b>3</b>	<b>Chair's statement</b>
<b>4</b>	<b>Introduction</b>
<b>5</b>	<b>DFDS Remuneration Committee</b>
<b>6</b>	<b>DFDS' Remuneration Policy</b>
<b>7</b>	<b>Remuneration of the Board of Directors</b>
<b>8</b>	<b>Remuneration of the Executive Board</b>
<b>11</b>	<b>Remuneration key figures</b>
<b>12</b>	<b>Company performance key figures</b>
<b>13</b>	<b>Statement by the Board of Directors</b>
<b>14</b>	<b>Independent Auditors' Report</b>
<b>15</b>	<b>Appendix: Remuneration Policy summary</b>

# Chair's statement

On behalf of the Board of Directors, I present DFDS' remuneration report for 2023. Our ambition with this report is to present the remuneration of DFDS' Executive Board and Board of Directors, in alignment with DFDS' Remuneration Policy and the framework provided by the Remuneration Committee and the Board of Directors.

DFDS continued to deliver solid operating performance in 2023 despite headwind in freight markets in the second half-year. New activities were added through acquisition of companies in Northern Ireland, the UK, the Netherlands and Sweden becoming part of DFDS. Continued progress was made on our ESG agenda with ferry emission intensity reductions being ahead of the curve for our 2030 plan and the deployment of 90 e-trucks by year-end.

In December 2023, we launched our updated strategy – Moving Together Towards 2030 containing a roadmap for unlocking of value from our expanded network. The strategy also contains a pathway for our green transition towards 2030 with significant investments in green ferries.

The performance of DFDS is reflected in the payout of the short-term incentive scheme for our Executive Board, i.e. Torben Carlsen, CEO and Karina Deacon, CFO. The scheme is linked to financial targets, personal targets and ESG targets, of which the latter constitute a larger part of the personal targets than in 2022.

In 2024, Karina Deacon will step down from her position as CFO and member of DFDS' Executive Board to pursue

a non-executive career. Karina Deacon will remain in her position until no later than end of June 2024 to ensure continuity and a smooth transition to the new CFO. Exit costs not subject to future employment have been accrued for and are reflected in the Remuneration Report.

Total remuneration to the Executive Board in 2023, excluding accrued exit costs for Karina Deacon, was DKK 31.4m, thus effectively unchanged vs. 2022 (31.2m). Including accrued exit costs, total remuneration to the Executive Board in 2023 increased by 8% to DKK 33.8m compared to 2022.

Looking ahead to 2024, the short-term incentive scheme for the Executive Board will continue to have a focus on ESG to further drive our sustainability and social impact goals.

Our long-term incentive programme remains in place with the aim of linking the remuneration of the Executive Board to the sustained performance of DFDS, while at the same time supporting the retention of the Executive Board members.

Total 2023 remuneration for our Board of Directors amounted to DKK 5.3m, unchanged vs. 2022.

## **Claus V. Hemmingsen**

Chair of the Board  
Chair of the Remuneration  
and the Nomination Committee



# Introduction

The purpose of this report is to present a transparent and comprehensive overview of the remuneration of DFDS' Executive Board and Board of Directors ('Board'). The report complies with DFDS' Remuneration Policy (summarised on the next page and in Appendix) and with the requirements of Section 139b in the Danish Companies Act. Equally, the remuneration is aligned with the Recommendations on Corporate Governance issued by the Danish Committee on Corporate Governance.

## The business context for DFDS in 2023

A solid operating result was achieved in 2023 despite challenging freight market conditions. The operating profit (EBITDA) increased 1.2% to DKK 5,034m in 2023 compared to 2022 as higher passenger earnings and a positive impact from logistics acquisitions were partly offset by lower freight earnings. The latter was reduced by a decline in volumes, including impacts from overcapacity situations on the Dover Strait and the Baltic Sea, as well as a negative impact from lower oil price spreads compared to 2022. The return on invested capital was 7.6% in 2023.

We maintained our strong focus on ESG. Our 2023 CO<sub>2</sub> ferry emission reduction targets exceeded our short-term targets, as ferry emission intensity from our own fleet was reduced by 3.2% compared with 2022. We deployed more than 70 e-trucks, and we successfully launched Decarbonised Solutions for customers, enabling them to realise CO<sub>2</sub> reductions within their supply chain.

Progress was also made on our green transformation projects: We launched new partnerships within both Ferry

and Logistics to develop climate-neutral transport corridors, we continued to monitor new fuel types and technologies, and we investigated the potential in retrofitting existing ships.

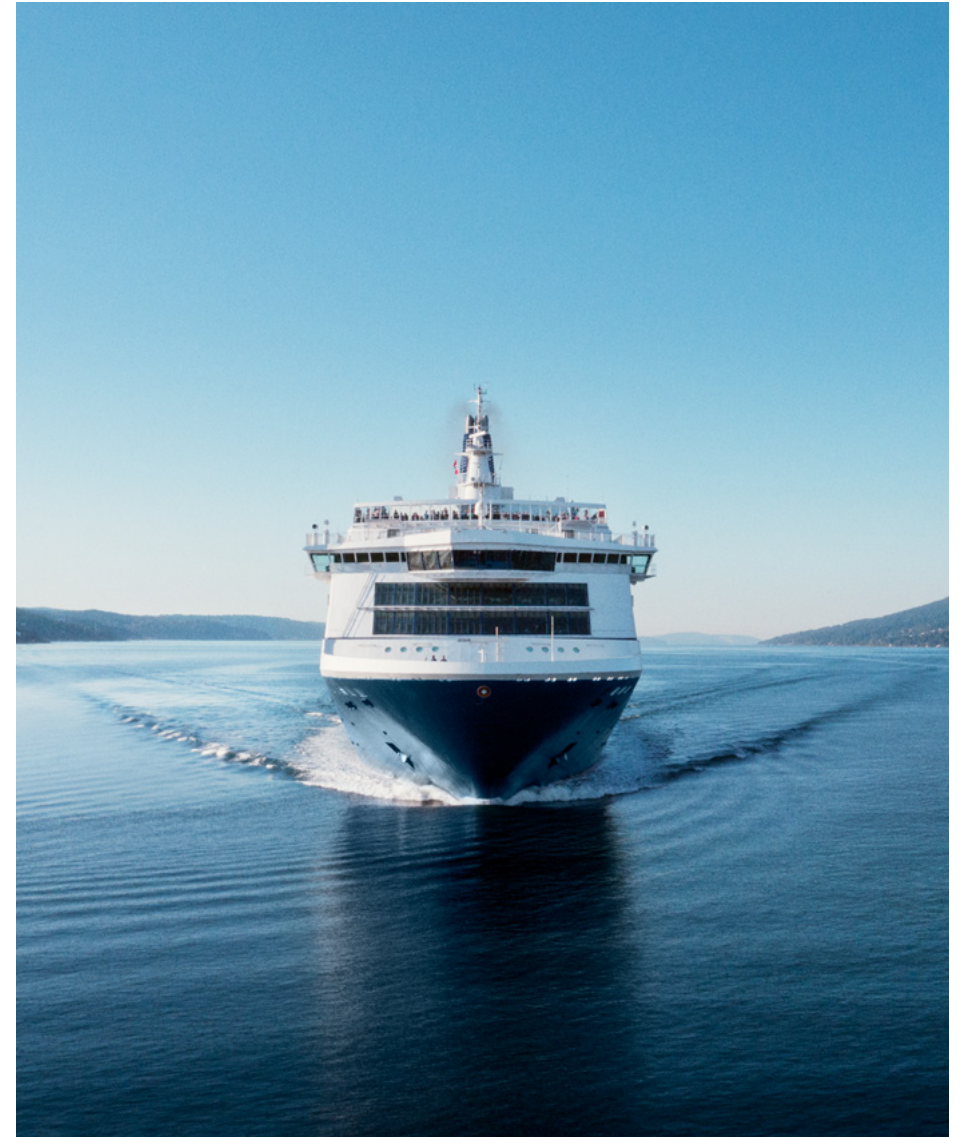
We made progress towards becoming a great place to work, i.e. to ensure a diverse, inclusive and safe workplace, where everyone can thrive and perform, and where everybody feels secure and protected from injuries.

The safety culture across DFDS was further reinforced in 2023. A new safety system was introduced to capture and report data from near-misses, unsafe behaviour and accident reports. Moreover, the introduction of a Land-based Crisis Management structure to further enhance business resilience was kicked off. Several initiatives have been launched to secure a psychologically safe working environment, including relaunching our Code of Conduct and initiating local efforts to address mental wellbeing.

We remain committed to reaching our goal of 30% minority gender representation by 2028, while recognizing that acquisition of companies with predominantly male employees impacts the pace of reaching this goal.

The share of female managers reached 18% compared with 16% in 2022.

Several actions were taken during 2023, including unconscious bias training for all managers, updated recruiting guidelines and the creation of a diversity dashboard.



# DFDS Remuneration Committee

The Remuneration Committee consists of three members of the Board, Claus V. Hemmingsen, Klaus Nyborg, and Minna Aila.

The Committee meetings are attended by the CEO, the Chief People Officer and the Centre of Excellence Director, People Division.

## The work of the Remuneration Committee

The Remuneration Committee ('Committee') conducted three ordinary meetings in 2023, plus two ad-hoc meetings in January and November 2023, reflecting the planned annual cycle of activities.

The Committee is overall responsible for review and recommendations in respect of the remuneration of the Executive Board and the Board. This includes:

- Annual review of the Remuneration Policy for appropriateness, considering corporate governance, market practice and fit to business strategy
- Annual review of the remuneration terms of the Executive Board, including performance metrics applied to short-term incentives (content, weight, and scale to reflect the business priorities)
- Annual review of the long-term incentive grant levels and terms in advance of grants being awarded
- Annual review of fees payable to the members of the Board

Outcomes of reviews and suggested changes are presented to the Board for approval. Should changes

agreed by the Board exceed the framework of the current Remuneration Policy, these will be brought to DFDS' shareholders for approval at the Annual General Meeting ('AGM'). This has not been the case in 2022 or 2023.

## 2023 focus areas

In 2023, the Committee, among other things, prepared the 2023 Remuneration Report, and updated the peer group used for benchmarking of executive remuneration.

The Committee also engaged in discussions on the future design of incentive plans, including how the incorporation of ESG targets in the incentive plans can continue to reinforce our sustainability efforts.

## 2023 remuneration peer group

In accordance with the Remuneration Policy, the Remuneration Committee appoints a remuneration peer group, based on an annual review, to support remuneration decisions and stakeholder views.

The peer group companies are selected to represent the market which DFDS compares to based on size, market value, number of FTE's, and geographical reach of operations.

In 2023, the following Danish companies were included in DFDS' remuneration peer group: Demant, Falck, FLSmidth, GN Store Nord, ISS, Nilfisk, NKT, Norden, Royal Unibrew, Rockwool, Scandinavian Tobacco Group, SimCorp (prior to acquisition by Deutsche Börse), and Torm.

## Box 1: DFDS' Remuneration Committee

### Claus V. Hemmingsen

Chair of the Board



### Klaus Nyborg

Vice Chair



### Minna Aila

Board member



# DFDS Remuneration Policy

DFDS' current Remuneration Policy was approved by the AGM in March 2021 for the period 2021-24. The policy aims at enabling an appropriate remuneration package for the Executive Board and the Board to ensure that DFDS can attract, engage, and retain the right profiles for executive roles.

Further, the policy provides a total remuneration approach that links DFDS' business strategy with the interests of DFDS' shareholders, while duly considering the industry dynamics that impact DFDS.

The policy requires a part of the short-term incentives for the Executive Board to be linked to strategic and personal targets, including strategy and sustainability progress. Further, the policy contains a counter cyclical mechanism within the LTIs through a split between restricted stock units (RSUs) and share options.

The objectives of the policy are further detailed in Box 2, while the Remuneration Policy elements for the Board and the Executive Board, respectively, are shown in the Appendix (Table 6 and Table 7).

The full Remuneration Policy is available at [dfds.com/en/about/governance-and-policies](https://dfds.com/en/about/governance-and-policies).

## Review of the Remuneration Policy

The Remuneration Policy was revisited by the Remuneration Committee in 2023 and deemed fit for purpose.

In 2024 we expect to review the Remuneration Policy in order to present the policy to be approved at the AGM in March 2025.

## Deviation from policy

The remuneration for 2023 for the Executive Board and the Board is in line with our Remuneration Policy.

It is the view of the Committee and the Board that the policy has not been deviated from in 2023.

DFDS' Remuneration Policy entails the option to make use of a claw-back of LTIs and STIs, e.g. to be applied in the case of awards being granted based on misstated information or breach of obligations. In 2023, the option to reclaim remuneration was not used.

## Advisory vote on 2022 Remuneration Report

The Remuneration Report 2022 was adopted at the AGM held on March 22, 2023, without any changes or remarks.

## Box 2: Objectives of the Remuneration Policy

### Ensure appropriate total remuneration:

The Remuneration Policy and decisions are guided by market practice to ensure the remuneration enables attraction, engagement and retention of executive leaders.

### Align with shareholder interest:

A sizeable part of the remuneration of the Executive Board is provided in the form of share-based components to align the interests of executive leaders directly with those of shareholders.

### Drive sustainability:

The Remuneration Policy enables incentivising executive leaders to focus on delivering goals supporting the sustainability of DFDS and the wider society. The goals are reflected in the short-term remuneration components.

### Link to industry dynamics:

The Remuneration Policy considers the nature of the Transportation and Logistics industry, seeking to balance explicit links between short-term incentives, priorities and performance with flexibility for the Board to adjust priorities under extraordinary circumstances.

### Link to business strategy:

The Remuneration Policy aims at incentivising executive leaders to focus on delivering DFDS' operational and strategic goals, reflected in a combination of short and long-term remuneration components.

# Remuneration of the Board of Directors

In accordance with the Remuneration Policy, the Board is remunerated with fixed fees, varying in relation to scope and complexity of the member's work.

All Board members elected by the AGM were up for election (Claus V. Hemmingsen, Klaus Nyborg, Minna Aila, Jill Lauritzen Melby, Anders Götzsche and Dirk Reich) and all were re-elected to the Board at the AGM held on March 22, 2023.

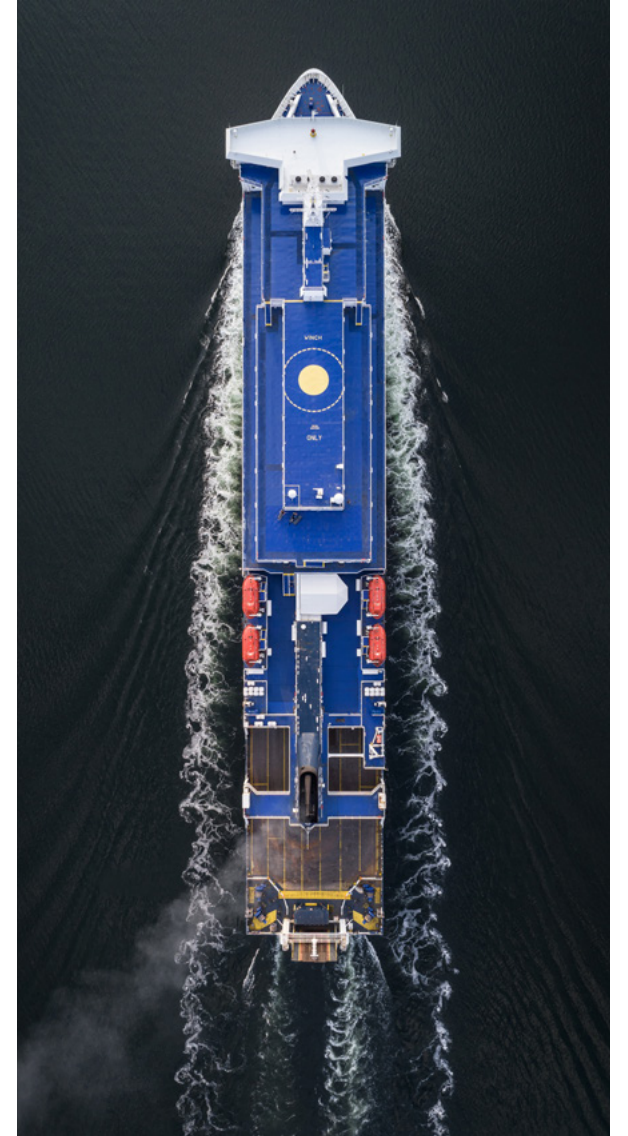
Each Board member received a fixed fee, while members of the committees also received a multiple of the fixed fee for the extra work contained in these roles. Table 1 below outlines the details regarding the remuneration of the Board.

There were no changes to the nominal fee and the fee structure in 2023 as per the AGM's decision regarding remuneration of the Board for 2023.

The total remuneration of the Board for 2023 was DKK 5.3m, unchanged compared to 2022.

**Table 1:** Fixed fees – 2022-23

DKK '000		Board Fee		Committee fees		Total Remuneration		Number of shares	
Name	Committees	2023	2022	2023	2022	2023	2022	2023	2022
Claus V. Hemmingsen (Chair)	Chair of the Nomination & Remuneration Committees	1,125	1,125	100	100	1,225	1,225	5,000	3,336
Klaus Nyborg (Vice Chair)	Member of the Nomination & Remuneration Committees	750	750	100	100	850	850	825	825
Minna Aila	Member of the Nomination & Remuneration Committees	375	281	100	75	475	356	170	-
Anders Götzsche	Chair of the Audit Committee	375	375	250	250	625	625	3,500	3,500
Jill Lauritzen Melby	Member of the Audit Committee	375	375	125	125	500	500	4,735	4,735
Dirk Reich	Member of the Audit Committee	375	375	125	125	500	500	-	-
Marianne Henriksen		375	281	-	-	375	281	80	30
Kristian Kristensen		375	281	-	-	375	281	115	20
Lars Skjold-Hansen		375	375	-	-	375	375	1,030	1,030
Jens Otto Knudsen		-	94	-	-	-	94	-	-
Jesper Hartvig Nielsen		-	94	-	-	-	94	-	-
Marianne Dahl	Member of the Nomination & Remuneration Committees	-	94	-	25	-	119	-	-
<b>Total</b>		<b>4,500</b>	<b>4,500</b>	<b>800</b>	<b>800</b>	<b>5,300</b>	<b>5,300</b>	<b>15,455</b>	<b>13,476</b>



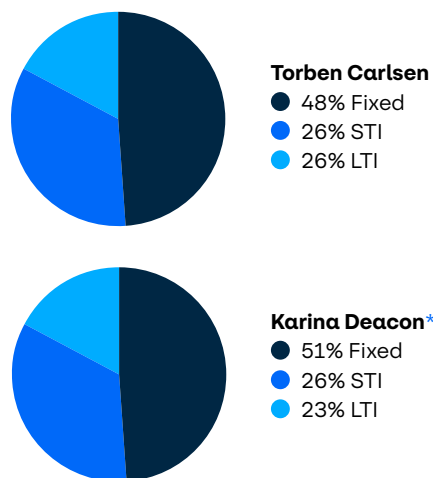
# Remuneration of the Executive Board

The total remuneration of the Executive Board increased by 8% from 2022 to 2023, from a total of DKK 31.2m (2022) to a total DKK 33.8m (2023). The increase was primarily driven by increased LTI grants partly offset by lower STI awards as well as accrued exit costs for Karina Deacon.

The composition of the Executive Board was unchanged from 2022 to 2023. In 2024, CFO Karina Deacon will be stepping down from her position as CFO and member of DFDS' Executive Board. Exit costs not subject to future employment have been accrued for and are reflected in Table 2.

The subsequent outline and illustration of Karina Deacon's 2023 remuneration is excluding this accrual.

**Figure 1: Pay-mix – 2023 (%)**



## CEO

The remuneration of the CEO totalled DKK 21.0m in 2023 equivalent to 2022, reflecting higher LTI award, offset by lower STI.

The fixed pay amounted to DKK 10.2m (48% of total pay) composed of base salary (DKK 9.0m), pension (DKK 0.9m) and benefits (DKK 0.3m).

The STI was DKK 5.4m corresponding to 60% of base salary (DKK 7.2m and 80% in 2022). The pay-out was determined by performance against the specified targets, cf. next page. The realisation of the financial targets was determined by the financial results, whereas the strategic and personal targets, of which several relate to DFDS' ESG targets, were assessed by the Board.

The LTI was DKK 5.4m (DKK 3.6m in 2022) corresponding to 60% of base salary. The 60% were awarded on a discretionary basis and split 50/50 in value with 10,173 RSU's and 48,570 share options cf. Table 3 on page 10.

## CFO

The remuneration of the CFO (excl. exit costs) totalled DKK 10.4m in 2023, an increase of 2% compared to 2022, reflecting higher LTI award, offset by lower STI.

The fixed pay amounted to DKK 5.4m (51% of total pay) composed of base salary (DKK 4.7m), pension (DKK 0.5m) and benefits (DKK 0.2m).

The STI was DKK 2.7m corresponding to 57% of base salary (DKK 3.4m and 78% in 2022). The pay-out was determined by performance against the specified targets, cf. next page. The realisation of the financial targets was determined by the financial results, whereas the strategic and personal targets, including ESG targets, were assessed by the Board.

The LTI was DKK 2.4m (DKK 1.8m in 2022) corresponding to 50% of base salary. The 50% were awarded on a discretionary basis and split 50/50 in value with 4,427 RSU's and 21,137 share options cf. Table 3 on page 10.

**Table 2: Total remuneration – 2022-23**

DKK '000	Base salary		Pension		Benefits		STI		LTI (Grant)*		Total		Exit costs***		Number of shares	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Torben Carlsen, CEO	9,000	9,000	900	900	266	265	5,429	7,200	5,400	3,600	20,995	20,965	-	-	133,902	133,902
Karina Deacon, CFO	4,700	4,410	470	441	193	190	2,687	3,440	2,350	1,764	10,400	10,245	2,355	-	1,456	1,456
<b>Total</b>	<b>13,700</b>	<b>13,410</b>	<b>1,370</b>	<b>1,341</b>	<b>459</b>	<b>455</b>	<b>8,117</b>	<b>10,640</b>	<b>7,750</b>	<b>5,364</b>	<b>31,396</b>	<b>31,210</b>	<b>2,355</b>	<b>-</b>	<b>135,358</b>	<b>135,358</b>

\* The granted value of LTI is the full award which covers a three-year vesting period. This creates a difference to the expensed value of LTI in the financial statements.

\*\* The pay-mix in Figure 1 is based on actual 2023 remuneration, i.e. excluding the accrual for exit costs not subject to future employment.

\*\*\* Accrual for exit costs not subject to future employment. The accrual contains monthly salary, benefits and pro-rated incentives for the three-month garden leave period.





The Executive Board's STIs include financial targets as well as personal and strategic targets.

#### **Payout of 2023 STI scheme**

For the CEO, 2023 STI was 60% of base pay (80% being maximum) based on the performance of the financial and strategic and personal targets.

For the CFO, 2023 STI was 57% of base pay (80% being maximum) based on the performance of the financial and strategic and personal targets.

#### **Financial targets**

Financial targets constitute 56% equally divided between

- ROIC (Return on Invested Capital) (weight 30%)
- PTP (Pre-Tax Profit) (weight 30%).

In 2023, ROIC ended at 7.6% and PTP at DKK 1.7bn.

The financial performance exceeded target. Payout on financial targets was DKK 3.9m for the CEO and DKK 2.0m for the CFO.

#### **Strategic and personal targets**

Strategic and personal targets constitute 40%.

The performance on these metrics is outlined in further detail in Box 3 and 4.

### **Box 3: CEO – Short-Term Incentives**

The strategic and personal targets as described below have been assessed by the Committee on behalf of the Board, resulting in a total of DKK 1.6m for the CEO.

#### **ESG – female representation and safety (weight 10%)**

DFDS focused on achieving the targets through culture changes continuing beyond 2023, including strengthening recruitment and promotion practices, better tracking and reporting of incidents, and educating senior leadership.

#### **ESG – decarbonisation (weight 10%)**

DFDS continued to pursue CO2 emission reduction targets through technical fleet optimization, route optimization, and speed reduction. Moreover, deployment of +70 Volvo eTrucks, continued roll-out of trucks with smaller CO2 footprint, and production of clean energy contributed to reducing emissions.

#### **Engagement and retention (weight 10%)**

DFDS maintained the overall employee engagement at the 2022 level, while engagement at senior management level increased. Annualized voluntary turnover was reduced from 13.0% in 2022 to 11.9% in 2023.

#### **Discretionary (weight 10%)**

DFDS delivered solid operational results and completed multiple significant projects. However, the value creation for shareholders as reflected in the share price was negative.

### **Box 4: CFO – Short-Term Incentives**

The strategic and personal targets as described below have been assessed by the Committee on behalf of the Board, resulting in a total of DKK 0.6m for the CFO.

#### **ESG – decarbonisation, female representation and safety (weight 10%)**

DFDS continued to pursue CO2 emission reduction targets through technical fleet optimization, route optimization and speed reduction. Female and safety targets were addressed through e.g. strengthening recruitment and promotion practices and better tracking and reporting of incidents.

#### **ERP implementation (weight 10%)**

DFDS has progressed well during 2023 with rollout of the Group's ERP platform. During 2023 another 14 entities went live leading to a total of 26 entities now working on the standard platform.

#### **Standardisation (weight 10%)**

DFDS has progressed well during 2023 on the efforts on further standardisation to simplify the business. The governance for the program is settled, and functional heads are driving standardization across all divisions in prioritized areas.

#### **Discretionary (weight 10%)**

DFDS delivered solid operational results and completed multiple significant projects. However, the value creation for shareholders as reflected in the share price was negative.

### Box 5: Long-Term Incentives

The Executive Board participates in DFDS' Long Term Incentive program. The program consists of two components, Restricted Share Units ("RSU's") and Share Options, and is currently set at 60% of the annual base salary for the CEO and at 50% of the annual base pay for the CFO. The Board has the option to increase this up to a maximum of 80%.

LTI awards are considered an award for future results only. Specifically, the awards aim at linking the remuneration of the Executive Board members to the sustained performance of DFDS, whilst at the same time supporting the retention of the Executive Board members.

**Table 3:** Share Options and Restricted Share Units (RSUs)

	1 Jan. 2023 Number	Granted Number	Cancelled Number	Exercised Number	31 Dec. 2023 Number	Value at Grant date DKK'000	Exercise value	Market value outstanding 31 Dec. 2023 DKK'000	Vesting	Value of exercised DKK' 000
<b>Share Options</b>										
<b>Torben Carlsen, CEO<sup>1</sup></b>										
Allocation in 2023	-	48,570	-	-	48,570	2,700	292	821	Feb 2026	-
Allocation in 2022	43,499	-	-	-	43,499	1,800	344	191	Feb 2025	-
Allocation in 2021	37,037	-	-	-	37,037	1,580	301	6	Feb 2024	-
Allocation in 2020	101,678	-	-	-	101,678	2,000	314	7	Feb 2023	-
Allocation in 2019 II	19,778	-	-	-	19,778	500	291	7	Feb 2022	-
Allocation in 2019 I	43,872	-	-	-	43,872	1,500	335	-	Feb 2022	-
Allocation in 2018	49,213	-	49,213	-	-	1,500	383	-	Feb 2021	-
<b>Total</b>	<b>295,077</b>	<b>48,570</b>	<b>49,213</b>	-	<b>294,434</b>	<b>11,580</b>		<b>1,032</b>		-
<b>Karina Deacon, CFO<sup>2,4</sup></b>										
Allocation in 2023	-	21,137	11,156	-	9,981	1,175	292	169	Jun 2024	-
Allocation in 2022	21,315	-	4,145	-	17,170	882	344	75	Jun 2024	-
Allocation in 2021	19,691	-	-	-	19,691	840	301	3	Feb 2024	-
Allocation in 2020	76,258	-	-	-	76,258	1,500	314	5	Feb 2023	-
<b>Total</b>	<b>117,264</b>	<b>21,137</b>	<b>15,301</b>	-	<b>123,100</b>	<b>4,397</b>		<b>252</b>		-
<b>Niels Smedegaard, former CEO<sup>3</sup></b>										
Allocation in 2019	12,999	-	-	-	12,999	444	335	-	Feb 2022	-
Allocation in 2018	36,454	-	36,454	-	-	1,111	383	-	Feb 2021	-
<b>Total</b>	<b>49,453</b>	-	<b>36,454</b>	-	<b>12,999</b>	<b>1,555</b>	-	-		-
<b>RSUs (first allocation in 2021)</b>										
<b>Torben Carlsen, CEO</b>										
Allocation in 2023	-	10,173	-	-	10,173	2,700	-	2,269	Feb 2026	-
Allocation in 2022	5,748	-	-	-	5,748	1,800	-	1,282	Feb 2025	-
Allocation in 2021	5,774	-	-	-	5,774	1,580	-	1,288	Feb 2024	-
<b>Total</b>	<b>11,522</b>	<b>10,173</b>	-	-	<b>21,695</b>	<b>6,080</b>		<b>4,839</b>		-
<b>Karina Deacon, CFO<sup>4</sup></b>										
Allocation in 2023	-	4,427	2,337	-	2,090	1,175	-	466	Jun 2024	-
Allocation in 2022	2,817	-	548	-	2,269	882	-	506	Jun 2024	-
Allocation in 2021	3,070	-	-	-	3,070	840	-	685	Feb 2024	-
<b>Total</b>	<b>5,887</b>	<b>4,427</b>	<b>2,885</b>	-	<b>7,429</b>	<b>2,897</b>		<b>1,657</b>		-

<sup>1</sup> Torben Carlsen was appointed CEO 1 May 2019. Prior to being appointed CEO, he was CFO.

<sup>2</sup> Karina Deacon was appointed CFO 1 January 2020.

<sup>3</sup> Niels Smedegaard resigned as CEO 30 April 2019.

<sup>4</sup> Karina Deacon as CFO and LTIs vest pro rata until 30 Juni 2024. Exercise windows unchanged.



# Remuneration key figures

**Table 4:** Board and Executive remuneration key figures – 2018-23

DKK'000	2023	%-change	2022	%-change	2021	%-change	2020	%-change	2019	%-change	2018
<b>Remuneration of Board of Directors</b>											
Claus V. Hemmingsen (Chair)	1,225	0%	1,225	0%	1,225	0%	1,225	9%	1,119	40%	800
Klaus Nyborg (Vice Chair)	850	0%	850	0%	850	0%	850	11%	763	65%	463
Minna Aila (joined in March 2022)	475	0%	356	-	-	-	-	-	-	-	-
Anders Götzsche (joined in March 2018)	625	0%	625	0%	625	0%	625	5%	594	58%	375
Jill Lauritzen Melby	500	0%	500	0%	500	0%	500	5%	475	19%	400
Dirk Reich (joined in July 2019) <sup>1</sup>	500	0%	500	-43%	875	75%	500	100%	250	-	-
Marianne Henriksen (joined in March 2022)	375	0%	281	-	-	-	-	-	-	-	-
Kristian Kristensen (joined in March 2022)	375	0%	281	-	-	-	-	-	-	-	-
Lars Skjold-Hansen	375	0%	375	0%	375	0%	375	5%	356	19%	300
Jens Otto Knudsen (resigned in March 2022)	-	-	94	0%	375	0%	375	5%	356	19%	300
Jesper Hartvig Nielsen (resigned in March 2022)	-	-	94	0%	375	0%	375	5%	356	58%	225
Marianne Dahl (resigned in March 2022)	-	-	119	0%	475	0%	475	0%	475	36%	350
Jørgen Jensen (resigned in March 2019)	-	-	-	-	-	-	-	-	100	-	400
Kent Vildbæk (resigned in March 2018)	-	-	-	-	-	-	-	-	-	-	75
Pernille Erenbjerg (resigned in March 2018)	-	-	-	-	-	-	-	-	-	-	162
<b>Remuneration of Executive Board</b>											
Torben Carlsen (CEO) <sup>2</sup>	20,995	0%	20,965	23%	17,100	41%	12,131	24%	9,748	-	-
Torben Carlsen (CFO) <sup>2</sup>	-	-	-	-	-	-	-	-	1,180	10%	9,564
Karina Deacon (CFO) <sup>3</sup>	10,400	2%	10,245	14%	8,975	21%	7,427	-	-	-	-
Karina Deacon (CFO – exit accrual)	2,355	-	-	-	-	-	-	-	-	-	-
Niels Smedegaard (CEO)	-	-	-	-	-	-	-	-	8,751	11%	15,502
<b>Remuneration other, DFDS A/S (land-based and sea-based)<sup>4</sup></b>											
Average FTEs, Parent Company (excl. Executive Board)	3,116	10%	2,820	19%	2,377	-4%	2,474	-7%	2,666	5%	2,539
Average pay, Parent Company (excl. Executive Board) <sup>5</sup>	535	1%	532	10%	485	8%	448	1%	442	4%	425
CEO Pay-Ratio <sup>6</sup>	39	6%	37	6%	35	30%	27	-7%	29	-21%	36

Note: The %-change is based on annualised numbers where applicable.

<sup>1</sup> Dirk Reich received an ad-hoc fee of DKK 375,000 in 2021 for advisory work.

<sup>2</sup> Torben Carlsen was constituted CEO 1 March 2019 with adjusted base salary and appointed CEO 1 May 2019.

<sup>3</sup> Karina Deacon was appointed 1 January 2020.

<sup>4</sup> Niels Smedegaard resigned as CEO 30 April 2019; was paid until August 2019.

<sup>5</sup> The average pay across land-based (1/3 of the population) and seafarers (2/3 of the population) is an estimate, reflecting that seafarers are paid net salary according to DIS legislation.

<sup>6</sup> For purpose of calculating the CEO Pay-Ratio, CEO pay for 2019 is based on 8 months' pay for Torben Carlsen and 4 months' pay for Niels Smedegaard.

# Company performance key figures

**Table 5:** Company performance key figures – 2018-23

DKK'000	2023	%-change	2022	%-change	2021	%-change	2020	%-change	2019	%-change	2018
<b>Financial Measures, DFDS A/S</b>											
EBITDA, Consolidated	<b>5,034</b>	1%	4,974	50%	3,322	26%	2,633	-25%	3,509	-2%	3,588
Profit before tax, Consolidated	<b>1,652</b>	-23%	2,139	100%	1,069	129%	466	-66%	1,371	-19%	1,694
ROIC, Consolidated	<b>7.6</b>	-13%	8.7	45%	6	82%	3.3	-55%	7.4	-27%	10.1
TSR - Total Shareholder Return	<b>-16%</b>	-20%	-20%	-174%	27%	-275%	-15%	-160%	25%	-230%	-20%
EBITDA, Parent Company	<b>2,422</b>	-9%	2,658	59%	1,667	-3%	1,718	-36%	2,702	62%	1,671
Profit before tax, Parent Company	<b>1,500</b>	-7%	1,608	1417%	106	-21%	135	-87%	1,052	-59%	2,540

## Box 6: Remuneration of wider employee group

DFDS has employees in more than 20 countries. Remuneration reviews and decisions for DFDS employees not covered by a collective bargaining agreement (approx. 1/3 of DFDS employees) follow the same principles as applied for the Executive Board. For employees covered by a collective bargaining agreement (approx. 2/3 of DFDS employees) terms and conditions negotiated will apply.

Total target remuneration is based on the role, individual experience, skills, and sustained performance level. The remuneration level and relative weight of the remuneration components reflect market practice for the roles and the fit to business needs and priorities. Remuneration is reviewed annually, respecting local agreements and legislation.

The Executive Management Team is continuously following general employment conditions, including base salaries, with a view to taking appropriate actions.

In 2023, specific areas of focus have been supporting employees in regions with consistently high inflation levels, reviewing and improving pension agreements in bespoke countries, and introducing health and employee wellbeing initiatives in multiple locations.

In December 2023, the 2020 Special Rewards programme was settled. The programme awarded 50 DFDS shares or the equivalent amount in cash to 5,300 employees who were employed in DFDS by December 1, 2020 and who were still with the company three years later.



# Statement by the Board of Directors

The Board of Directors has considered and adopted the remuneration report of DFDS A/S for the 2023 financial year.

The report has been prepared to meet the requirements of the section 139b of the Danish Companies Act and the Recommendations on Corporate Governance issued by the Danish Committee on Corporate Governance.

The Board believes that the Remuneration Report provides a fair presentation of the development in the remuneration of our Executive Board and the remuneration of the Board of Directors.

Further, in our opinion, remuneration of the Executive Board and of the Board for the financial year 2023 has been conducted in alignment with DFDS' Remuneration Policy and according to the above stated requirements.

As such, it is the view of the Remuneration Committee and the Board that the policy has not been deviated from.

The report will be presented for an advisory vote at the AGM in March 2024.

## Board of Directors

Copenhagen, 22 February 2024

---

**Claus V. Hemmingsen**  
Chair

---

**Klaus Nyborg**  
Vice Chair

---

**Minna Aila**

---

**Anders Götzsche**

---

**Jill Lauritzen Melby**

---

**Dirk Reich**

---

**Marianne Holm Henriksen**

---

**Kristian Kristensen**

---

**Lars Skjold-Hansen**

# Independent Auditors' Report on Remuneration Report

## To the shareholders of DFDS A/S

We have examined whether the remuneration report for DFDS A/S for the financial year 1 January - 31 December 2023 contains the information required under section 139 b, subsection 3 of the Danish Companies Act.

We express reasonable assurance in our conclusion.

## The Board of Directors' responsibility for the remuneration report

The Board of Directors is responsible for the preparation of the remuneration report in accordance with section 139 b, subsection 3 of the Danish Companies Act. The Board of Directors is also responsible for the internal control that the Board of Directors deems necessary to prepare the remuneration report without material misstatement, regardless of whether this is due to fraud or error.

## Auditor's independence and quality management

We have complied with the independence requirements and other ethical requirements in the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and ethical requirements applicable in Denmark.

Our firm applies International Standard on Quality Management 1, ISQM 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Auditor's responsibility

Our responsibility is to express a conclusion on the remuneration report based on our examinations. We conducted our examinations in accordance with ISAE 3000 (revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and the additional requirements applicable in Denmark to obtain reasonable assurance in respect of our conclusion.

As part of our examination, we checked whether the remuneration report contains the information required under section 139 b, subsection 3 of the Danish Companies Act, number 1 - 6, on the remuneration of each individual member of the Executive Board and the Board of Directors.

We believe that the procedures performed provide a sufficient basis for our conclusion. Our examinations have not included procedures to verify the accuracy and completeness of the information provided in the remuneration report, and therefore we do not express any conclusion in this regard.

## Conclusion

In our opinion the remuneration report, in all material respects, contains the information required under the Danish Companies Act, section 139 b, subsection 3.

Hellerup, 22 February 2024

## PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab  
CVR No 33 77 12 31

---

## Rasmus Friis Jørgensen

State Authorised Public Accountant  
mne28705

---

## Thomas Wraae Holm

State Authorised Public Accountant  
mne30141

# Appendix:

## Remuneration Policy summary, Board of Directors

**Table 6:** Remuneration Policy elements, Board of Directors

What	Purpose	What and how much
Base Fee – Board	To remunerate in relation to the scope and complexity of work similar to fees in comparable listed companies.	Board members: Base fee. Chair: Three times the Base Fee. Vice Chair: Two times the Base Fee. Directors acceding or resigning during an election period will receive a pro rata share of the annual fees.
Base Fee – Committee	Same as above.	Chair of the Audit Committee: 2/3 of the Base Fee. Other members of the Audit Committee: 1/3 of the Base Fee. Chair of the Remuneration Committee: 2/15 of the Base Fee. Chair of the Nomination Committee: 2/15 of the Base Fee. Other members of the Remuneration and Nomination Committee: 2/15 of the Base Fee.
Ad hoc Fee	To remunerate for additional ad-hoc task if agreed by the Board of Directors.	Fixed fee as per agreement with the Board. To be presented in the notes to the annual report and/or the remuneration report.
Contributions and expenses	To cover social security taxes imposed by foreign authorities on such fees. To reimburse expenses incurred by the Directors in connection with board and/or committee meetings.	Reasonable contributions and expenses subject to approval from the Remuneration Committee.
Insurance	To provide the Directors with insurance.	The Directors are covered by a customary D&O insurance policy with coverage deemed sufficient by the Board of Directors in relation to the size and nature of the business of DFDS. To the extent that insurance coverage proves insufficient DFDS may in certain cases cover additional claims.
Pension	None	None
Incentive plan	None	Employee-elected members of the Board may receive incentive pay in their capacity as employees of DFDS.

# Appendix:

## Remuneration Policy summary, Executive Board

**Table 7:** Remuneration Policy elements, Executive Board

Component	Purpose	Link to performance	Size/value of component
Base salary	Recognise market value, the nature of the role in terms of scale, complexity and responsibility and the Executive Board members' experience, sustained performance, and contribution.	Indirectly linked to DFDS' performance through the Executive Board member's sustained performance level.	No pre-defined maximum salary level but determined according to 'Purpose' (ref. explanation to the left).
Short-term incentive	Reward the achievement of DFDS' annual goals guided by the long-term business strategy.	Divided between the following performance areas: 1. DFDS' financial performance (e.g., ROIC, Profit before Tax), at least 60% 2. DFDS' strategic and personal performance (e.g., sustainability, transformation).	Target: 40% of annual base salary. Maximum: 80% of annual base salary. Performance area 1 is evaluated based on meeting the financial targets, whereas 2 is based on a discretionary assessment by the Board. Information on measures in any given year will be outlined in the relevant annual remuneration report.
Long-term incentive	Reward the achievement of DFDS' long-term goals through share-based instruments and support executive retention.	Directly linked to the stock market performance of DFDS through the share price development.	LTI awards can be awarded up to a maximum of 80% of annual base salary
Pension	Provide for the Executive Board members' pension related needs.	N/A	Equal to level of contributions made for Danish DFDS salaried employees (currently 10% of the annual base salary).
Benefits	Provide for the Executive Board members' work-related equipment.	N/A	E.g., company car, free telephone/ other devices, domestic broadband access, newspapers.
Termination	Apply termination conditions to the Executive Board member aligned with general market conditions for the role.	N/A	Executive Board member: Six months' notice in case of resignation. DFDS: Twelve months' notice in case of termination.



