

Remuneration Report 2022

DFDS A/S - Marmorvej 18, DK-2100 Copenhagen Ø - CVR 14 19 47 11



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Chair's statement

Dear shareholder

On behalf of the Board of Directors, I present DFDS' remuneration report for 2022. Our objective with this report is to give an overview of 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.

2022 has been a very strong year for DFDS. Financial results surpassed the initial outlook as our freight network again proved its resilience and kept goods moving, just as passengers returned faster than anticipated. Progress was also made on key strategic priorities, such as Decarbonisation, Purpose and Engagement, and Standardisation.

Total 2022 remuneration for our Board of Directors amounted to DKK 5.3 m, unchanged vs. 2021, when excluding a 2021 ad-hoc fee to a Board member.

The strong performance of DFDS is reflected in the payout of the short-term incentive scheme for our Executive Board, consisting of Torben Carlsen, CEO and Karina Deacon, CFO. The scheme covers financial targets and personal targets, of which several of the CEO's targets relate to DFDS' ESG targets.

In the evaluation it was underscored that the Executive Board not only completed – and should be awarded for – multiple single-year initiatives. It was also recognized that the Executive Board simultaneously maintained a longer-term view, thereby preparing a stronger foundation for the future for DFDS.

Total remuneration to the Executive Board in 2022 increased by 20% to DKK 31.2 m compared to DKK 26.1 m in 2021, primarily driven by the payout of the 2022 short-term incentive scheme.

For 2023, the short-term incentive scheme for the Executive Board will have an even larger 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 (as reflected in the share price) whilst at the same time supporting the retention of the Executive Board members.

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') in 2022. The report complies with DFDS' Remuneration Policy (summarised on the next page and in Appendix) and with the requirements of Section 139b of the Danish Company Act. Moreover, remuneration paid out is aligned with the Recommendations on Corporate Governance issued by the Danish Committee on Corporate Governance.

The business context for DFDS in 2022

2022 was a strong financial year for DFDS. We raised the return on invested capital to above our 8% target, resumed dividend payments, and from Q3 our financial leverage was back in the target range. EBITDA before special items increased by 45% to DKK 5.0bn, while profit before tax increased by 100% to DKK 2.1 bn. This progress was achieved despite the outbreak of war in Ukraine, rising geopolitical tensions, and elevated financial uncertainty fuelled by high inflation.

We maintained our focus on sustainability, cf. our Climate Action plan. Our 2022 CO₂ ferry emission reduction targets were in line with our short-term targets as ferry emission intensity was lowered by 4% compared with 2021, the first of 125 e-trucks ordered were deployed, biofuel was successfully tested on a freight ferry, and we hosted a biodiversity conference for shipping and academia.

Progress was also made on green transformation projects: We further developed green corridor projects for Denmark-UK and Sweden-Belgium, we continued our project on retrofitting ferries to green methanol, and we were awarded

external funding to test and develop new technologies. We made progress towards becoming a more diverse and inclusive company, where everybody feels safe and has equal access to opportunities.

Important measures to strengthen safety were introduced in 2022, resulting in refined reporting and raised awareness. Unfortunately, these efforts did not prevent a tragic fatality from happening in October. The work to constantly improve safety throughout the business continues and will be further strengthened in 2023 with the implementation of a new safety system.

We remain committed to reaching our goal of 30% minority gender representation, whilst acknowledging that acquisition of companies with predominantly male employees impacts the pace of reaching this goal. During 2022 an internal monthly report on gender balance was introduced, just as a DE&I (Diversity, Equity & Inclusion) toolbox covering supporting tools was launched. The share of females reached 25% (employees) and 16% (managers), compared with 2021 figures of 27% and 14%.

The work of the Remuneration Committee

The Remuneration Committee ('Committee') conducted three ordinary meetings in 2022, reflecting the planned annual cycle of activities, as outlined in Box 1.

In 2022, the Committee focused on preparing the 2021 Remuneration Report, and updating the peer group used for benchmarking of executive remuneration. Further, the Committee discussed workforce matters, such as gender pay gaps and employee turnover. The Committee also engaged in discussions on the future design of incentive plans, including how these can continue to support our sustainability priorities.

Box 1: DFDS' Remuneration Committee

The Committee consists of three members of the Board, Claus Hemmingsen, Klaus Nyborg and Minna Aila (Minna Aila replaced Marianne Dahl in March 2022).

The Committee meetings are attended by DFDS' Chief People Officer and the Head of Rewards. The Chief Executive Officer participates as appropriate.

Decision-making process

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

- Annual review of the 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

The outcomes of the reviews and suggested changes are presented to the Board for approval. If changes are outside the current Remuneration Policy and agreed by the Board, these will be brought to the shareholders for approval at the Annual General Meeting.

Remuneration peer group

In 2022, the following companies were included in DFDS' remuneration peer group: Demant, Drilling Company of 1972 A/S (prior to merger with Noble), Falck, FLSmidth, ISS, Nilfisk, Norden, Royal Unibrew, Rockwool, Scandinavian Tobacco Group, SimCorp and Torm.

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 aims at enabling a total remuneration approach that links DFDS' business strategy with the interests of DFDS' shareholders, whilst 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.

Review of the Remuneration Policy

The Remuneration Policy was revisited by the Remuneration Committee in 2022 and deemed fit for purpose.

Deviation from policy

The remuneration for 2022 for the Board and the Executive 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 2022.

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 2022, the option to reclaim remuneration was not used.

Advisory vote on 2021 Remuneration Report

The Remuneration Report 2021 was adopted at the Annual General Meeting held on March 23, 2022, without any changes.

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.

In 2022, three Board members left the Board, i.e. Marianne Dahl, Jesper Hartvig Nielsen (employee elected) and Jens Otto Knudsen (employee elected). They were replaced by Minna Aila, Marianne Henriksen (employee elected) and Kristian Kristensen (employee elected). All leaving and incoming Board members received pro-rata board fees.

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 have been no changes to the nominal fee and the fee structure in 2022, as per the AGM's decision regarding remuneration of the Board for 2022.

The total remuneration of Board for 2022 was DKK 5.3 m (unchanged compared to the ordinary remuneration in 2021, i.e., excluding the 2021 ad-hoc fee of DKK 375,000 granted to Dirk Reich for advisory work).

Table 1: Fixed fees – 2021-22

DKK '000		Board Fee		Committee fees		Total Remuneration		Number of shares	
Name	Committees	2022	2021	2022	2021	2022	2021	2022	2021
Claus V. Hemmingsen (Chair)	Chair of the Nomination & Remuneration Committees	1,125	1,125	100	100	1,225	1,225	3,336	3,336
Klaus Nyborg (Vice Chair)	Member of the Nomination & Remuneration Committees	750	750	100	100	850	850	825	825
Anders Götzsche	Chair of the Audit Committee	375	375	250	250	625	625	3,500	3,500
Marianne Dahl ¹	Member of the Nomination & Remuneration Committees	94	375	25	100	119	475	-	1,817
Jill Lauritzen Melby	Member of the Audit Committee	375	375	125	125	500	500	4,735	4,735
Dirk Reich ²	Member of the Audit Committee	375	375	125	500	500	875	-	-
Minna Aila	Member of the Nomination & Remuneration Committees	281	-	75	-	356	-	-	-
Jesper Hartvig Nielsen ¹		94	375	-	-	94	375	-	230
Lars Skjold-Hansen		375	375	-	-	375	375	1,030	530
Jens Otto Knudsen ¹		94	375	-	-	94	375	-	-
Marianne Henriksen		281	-	-	-	281	-	30	-
Kristian Kristensen		281	-	-	-	281	-	20	-
Total		4,500	4,500	800	1,175	5,300	5,675	13,476	14,973

¹ Marianne Dahl, Jesper Hartvig Nielsen and Jens Otto Knudsen left the Board of Directors in 2022

² Dirk Reich received an ad-hoc fee of DKK 375,000 in 2021 for advisory work (included in the 2021 Committee fees above).



Remuneration of the Executive Board

The remuneration awarded to our Executive Board in 2022 was in line with our Remuneration Policy. The total remuneration of the Executive Board increased by 20% from 2021 to 2022, from a total of DKK 26.1 m (2021) to a total of DKK 31.2 m (2022). The increase was primarily driven by increased base pay as well as increased payout on our STI scheme.

The composition of the Executive Board was unchanged from 2021 to 2022.

CEO

The remuneration of the CEO totalled DKK 21.0 m in 2022, an increase of 23% compared to 2021.

The fixed pay amounted to DKK 10.2 m (49% of total pay), composed of base salary (DKK 9.0 m), pension (DKK 0.9 m) and benefits (DKK 0.3 m).

The STI was DKK 7.2 m, corresponding to 80% of base salary (DKK 5.0 m and 63% in 2021). 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 3.6 m (DKK 3.2 m in 2021), corresponding to 40% of base salary. The 40% was awarded on a discretionary basis and split 50/50 in value with 5,748 RSU's and 43,499 share options cf. Table 3.

CFO

The remuneration of the CFO totalled DKK 10.2 m in 2022, an increase of 14% compared to 2021.

The fixed pay amounted to DKK 5.0 m (49% of total pay), composed of base salary (DKK 4.4 m), pension (DKK 0.4 m) and benefits (DKK 0.2 m).

The STI was DKK 3.4 m, corresponding to 78% of base salary (DKK 2.5 m and 60% in 2021). 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 were assessed by the Board.

The LTI was DKK 1.8 m (DKK 1.7 m in 2021), corresponding to 40% of base salary. The 40% was awarded on a discretionary basis and split 50/50 in value with 2,817 RSU's and 21,315 share options cf. Table 3.

Figure 1: Pay-mix – 2022 (%)



Torben Carlsen

- 49% Fixed
- 34% STI
- 17% LTI



Karina Deacon

- 49% Fixed
- 34% STI
- 17% LTI

Table 2: Total remuneration – 2021-22

DKK '000	Base salary		Pension		Benefits		STI		LTI (Grant)*		Total		Number of shares	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Torben Carlsen, CEO	9,000	7,900	900	790	265	250	7,200	5,000	3,600	3,160	20,965	17,100	133,902	133,902
Karina Deacon, CFO	4,410	4,200	441	420	190	175	3,440	2,500	1,764	1,680	10,245	8,975	1,456	1,456
Total	13,410	12,100	1,341	1,210	455	425	10,640	7,500	5,364	4,840	31,210	26,075	135,358	135,358

* 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 Executive Board's STIs include financial targets as well as personal targets.

Financial targets

Financial targets constitute 60%, equally divided between

- ROIC (Return on Invested Capital)
- PTP (Pre-Tax Profit)

In 2022, ROIC ended at 8.6% and PTP at DKK 2,139 m.

The performance of the financial metrics reached the maximum target, resulting in a total of DKK 4.32 m for CEO and DKK 2.1 m for CFO (from financial targets).

Strategic and personal targets

Strategic and personal targets constitute 40%, equally divided between

- Purpose / Engagement / (E)SG (CEO)
- Decarbonisation / E(SG) (CEO)
- WIN23 strategy (CEO and CFO)
- ERP implementation (CFO)
- Standardisation (CFO)
- Discretionary (CEO and CFO)

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

Box 3: CEO – Short-Term Incentives

Payout of 2022 STI scheme was 80% of base pay (maximum), based on performance of financial – and strategic and personal – targets. The four strategic and personal targets have been assessed by the Remuneration Committee on behalf of the Board, resulting in a total of DKK 2.9 m for CEO. The strategic and personal targets were delivered above target with all four at maximum.

Purpose / Engagement / (E)SG

DFDS completed a revitalisation of its purpose and core story, and invested in leadership and communication to support the initiative. The result was a significant increase in engagement, with an increased participation in the annual engagement survey and an increase in eNPS (employee Net Promoter Score) from 21 to 31.

Decarbonisation / E(SG)

DFDS continued to pursue CO₂ emission reduction targets, cf. DFDS Climate Action plan. Within Ferry Division, the 2022 target of 12.7 gCO₂/Gross Tonnage/Nautical mile with own vessels was surpassed, driven by technical fleet optimization and route optimisation. Within Logistics Division, 2022 milestones were met, including deployment of the first e-truck, continued roll-out of trucks powered by renewable biodiesel; and production of clean energy (1mKwh).

Win 23 strategy

DFDS realized strategic win23 initiatives with accumulated impact above the original target.

Discretionary

2022 was a very strong year for DFDS in which management completed multiple single-year initiatives, while simultaneously maintaining a longer-term view, thereby preparing for the future.

Box 4: CFO – Short-Term Incentives

Payout of 2022 STI scheme was 78% of base pay (80% being maximum), based on performance of financial – and strategic and personal – targets.

The four strategic and personal targets have been assessed by the Remuneration Committee on behalf of the Board, resulting in a total of DKK 1,3 m for CFO. All strategic and personal targets were delivered above target with three at maximum.

Win 23 strategy

DFDS realized strategic win23 initiatives with accumulated impact above the original target.

ERP implementation

DFDS met the 2022 milestones, as another 9 entities went live and a strengthened programme management set-up was established.

Standardisation

DFDS met the 2022 milestones with appointment of Group PMO and divisional leads and launch of a number of projects both at divisional and support function level.

Discretionary

2022 was a very strong year for DFDS in which management completed multiple single-year initiatives, while simultaneously maintaining a longer-term view, thereby preparing for the future.

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 40% of the annual base salary. 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 member to the sustained performance of DFDS (as reflected in the share price) whilst at the same time supporting the retention of Executive Board members.

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

Share Options	1 Jan. 2022 No.	Granted No.	Cancelled No.	Exercised No.	31 Dec. 2022 No.	Value at Grant date DKK'000	Exercise	Market value outstanding 31 Dec. 2022 DKK'000	Vesting	Value of exercised DKK' 000
Torben Carlsen, CEO¹										
Allocation in 2022	-	43,499	-	-	43,499	1,800	344	1,045	Feb 2025	-
Allocation in 2021	37,037	-	-	-	37,037	1,580	301	853	Feb 2024	-
Allocation in 2020	101,678	-	-	-	101,678	2,000	314	211	Feb 2023	-
Allocation in 2019 II	19,778	-	-	-	19,778	500	291	102	Feb 2022	-
Allocation in 2019 I	43,872	-	-	-	43,872	1,500	335	36	Feb 2022	-
Allocation in 2018	49,213	-	-	-	49,213	1,500	383	1	Feb 2021	-
Allocation in 2017	27,778	-	27,778	-	-	1,500	390	-	Feb 2020	-
Total	279,356	43,499	27,778		295,077	10,380		2,248		
Karina Deacon, CFO²										
Allocation in 2022	-	21,315	-	-	21,315	882	344	512	Feb 2025	-
Allocation in 2021	19,691	-	-	-	19,691	840	301	453	Feb 2024	-
Allocation in 2020	76,258	-	-	-	76,258	1,500	314	159	Feb 2023	-
Total	95,949	21,315			117,264	3,222		1,124		
Niels Smedegaard, former CEO³										
Allocation in 2019	12,999	-	-	-	12,999	444	335	11	Feb 2022	-
Allocation in 2018	36,454	-	-	-	36,454	1,111	383	1	Feb 2021	-
Allocation in 2017	32,922	-	32,922	-	-	1,778	390	-	Feb 2020	-
Total	82,375	-	32,922	-	49,453	3,333		12		
RSUs (first allocation in 2021)										
Torben Carlsen, CEO										
Allocation in 2022	-	5,748	-	-	5,748	1,800	-	1,474	Feb 2025	-
Allocation in 2021	5,774	-	-	-	5,774	1,580	-	1,480	Feb 2024	-
Total	5,774	5,748	-	-	11,522	3,380	-	2,954		
Karina Deacon, CFO										
Allocation in 2022	-	2,817	-	-	2,817	882	-	722	Feb 2025	-
Allocation in 2021	3,070	-	-	-	3,070	840	-	787	Feb 2024	-
Total	3,070	2,817	-	-	5,887	1,722	-	1,509		

¹ Torben Carlsen was appointed CEO 1 May 2019. Prior to being appointed CEO, he was CFO.

² Karina Deacon was appointed CFO 1 January 2020.

³ Niels Smedegaard resigned as CEO 30 April 2019.

Remuneration key figures

Table 4: Board and Executive remuneration key figures – 2018-22

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

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

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

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

³ Karina Deacon was appointed 1 January 2020.

⁴ Niels Smedegaard resigned as CEO 30 April 2019; was paid until August 2019

⁵ 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.

⁶ 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.

Box 6: Remuneration of wider employee group

DFDS has employees in more than 20 countries. Remuneration reviews and decisions for the wider employee group in DFDS follow the same principles as applied for the Executive Board.

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 (EMT) is continuously following general employment conditions, including base salaries, with a view to taking appropriate actions.

In 2022, a specific area of focus has been rising inflation levels and increases in the cost of living. To support employees most in need, DFDS has awarded targeted one-off payments, and made use of local tax schemes, e.g., granting tax-exempt food and fuel stamps.

Company performance key figures

Table 5: Company performance key figures – 2018-22

DKK'000	2022	%-change	2021	%-change	2020	%-change	2019	%-change	2018
Financial Measures, DFDS A/S									
EBITDA before special items, Consolidated	4,955	45%	3,411	25%	2,732	-25%	3,633	21%	2,998
Profit before tax, Consolidated	2,139	100%	1,069	129%	466	-66%	1,371	-19%	1,694
ROIC before special items, Consolidated	8.6	65%	5.2	48%	3.5	-57%	8.1	-40%	13.5
TSR - Total Shareholder Return	-20%	-174%	27%	-275%	-15%	-160%	25%	-230%	-20%
EBITDA before special items, Parent Company	2,643	49%	1,771	1%	1,758	-36%	2,727	63%	1,670
Profit before tax, Parent Company	1,608	1417%	106	-21%	135	-87%	1,052	-59%	2,540

Statement by the Board of Directors

The Board of Directors has considered and adopted the remuneration report of DFDS A/S for the 2022 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 Board and of the Executive Board for the financial year 2022 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 Annual General Meeting planned for March 2023.

Board of Directors

Copenhagen, 24 February 2023

Claus V. Hemmingsen
Chair

Klaus Nyborg
Vice Chair

Minna Riila

Anders Götzsche

Jill Lauritzen Melby

Dirk Reich

Marianne Holm Henriksen
Elected by the employees

Kristian Kristiansen
Elected by the employees

Lars Skjold-Hansen
Elected by the employees

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 2022 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' responsibilities for the remuneration report

The Board is responsible for the preparation of the remuneration report in accordance with section 139 b, subsection 3 of the Danish Companies Act. The Board is also responsible for the internal control that the Board 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.

PricewaterhouseCoopers is subject to the International Standard on Quality Control, ISQC 1, and thus applies a comprehensive quality control system, including documented policies and procedures concerning compliance with ethical requirements, professional standards and current statutory requirements and other regulation.

Auditor's responsibilities

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.

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, 24/2 2023

PricewaterhouseCoopers
Statsautoriseret
Revisionspartnerselskab
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Appendix: Remuneration Policy 2022 summary, Board of Directors

Table 6: Remuneration Policy elements, Board of Directors – 2022

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: 3 times the Base Fee. Vice Chair: 2 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 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 2022 summary, Executive Board

Table 7: Remuneration Policy elements, Executive Board – 2022

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.	40% of annual base salary. Maximum: 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.