BOND INVESTOR PRESENTATION

May 2019

DFDS

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Key credit highlights

1	Leading Ferry Route operator for freight and passengers in and around Europe
2	Focused logistic operator supporting Ferry Routes
3	Founded in 1866 with supportive and stable ownership structure
4	Mature ferry sector has stable competitive dynamic and ongoing consolidation
5	Diversified geographic footprint and customer base
6	Strong operating cash flow and solid balance sheet
7	Prudent financial policy with long term leverage target: NIBD/EBITDA 2.0-3.0x

Our sustainability focus

Environmental Footprint

Our ambitions

Support marine environment

Responsible neighbour

Improve air quality

UN Sustainable Development Goals

Caring Employer

Our ambitions

Well-being for all employees

Inclusive workplace

Opportunities to do good

UN Sustainable Development Goals

DFDS

Leading European ferry operator & focused logistics provider

About DFDS

- Founded in 1866
- Headquartered in Copenhagen, Denmark
- President and CEO: Torben Carlsen
- Current market cap of approx. DKK 18bn
- Activities in 20 European countries and Turkey
- More than 8,000 employees

Stable and long term ownership

- Listed on Nasdaq Copenhagen
- Lauritzen Foundation 42%
- DFDS A/S 4%
- Foreign ownership share ~30%

Key metrics 2018*

- Revenues DKK 15,717m
- EBITDA DKK 3,589m
- ROIC 11.8%
- Operations in Ferry and Logistics
    - 56 Ferries
    - 7 port terminals
    - 5,600 trailers and 3,500 containers

Solid balance sheet and strong cash flow generation*

- Capital structure target of NIBD/EBITDA of 2.0x to 3.0x
- Mortgage / total assets 14%
- Financial Ratios as of 2018
    - Equity ratio: 36.8%
    - NIBD/EBITDA: 3.1x

* 2018 numbers are restated to IFRS 16 on a proforma and unaudited basis

DFDS

DFDS moves freight & passengers on 23 ferry routes in & around Europe

It's all about the routes – and their location

- Serving industrial clusters
- Combined trade and travel

Routes are key European infrastructure elements

- Part of business supply chains
- 85% of carried volumes are trailers
- DFDS mainly transports fast moving freight for delivery same day, next day or day after (A,B,C)

DFDS

DFDS moves freight & passengers on 23 ferry routes in & around Europe

Forwarders and hauliers are key customers

- Manufacturers of heavy goods are also important

On 9 routes we move freight and passengers together

- Business and pleasure
- Key customers are people travelling by car
- Cruise passengers are also important

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DFDS' two divisions: Ferry & Logistics – ferry services used by Logistics

	Ferry Division	Logistics Division
Description	• 23 ferry routes – freight and passengers • 56 ferries • 7 port terminals	• Door-door transport & contract logistics • 5,600 trailers & 3,500 containers • 2 sideport ships and VSA/SCA**
Credit highlights	DFDS' ferry routes are a part of Europe's infrastructure and generate stable revenues	Ensures flexible solutions for customer requirements and allows for fast reactions to changes in market conditions
2018 Revenues	DKK 11.1bn 68%	DKK 5.3bn 32%
2018 EBITDA	DKK 3.2bn* 28.6%	DKK 0.4bn* 8.1%

* 2018 numbers are restated to IFRS 16 on a proforma and unaudited basis. Before special items.
** Vessel sharing agreements/slot charter agreements on container ships

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Ferry Division – ferry route network moving freight and passengers

- **Freight:** Route location and capacity, fixed schedules and reliability to meet customers' transport requirements
- Bespoke solutions to manufacturers of heavy goods
- Port terminal operations in strategic locations
- **Passengers:** Mix of ferry services, short sea & overnight cruise
- 5 business units

Ferry Division LTM Q1 2019* DKK m	**Revenue**	**EBIT**	**Invested capital**	**ROIC %**
North Sea	3,731	725	5,542	12.8
Baltic Sea	1,517	333	1,394	23.8
Channel	2,801	406	1,886	21.5
Passenger	1,680	87	648	13.0
Mediterranean	1,608	225	6,518	3.4
Non-allocated items	469	101	n.a.	n.a.
Ferry Division	**11,806**	**1,877**	**15,988**	**11.2**

North Sea

- 7 routes
- 19 ro-ro ships
- 5 port terminals
- Customers: Freight forwarders & hauliers, manufacturers of heavy industrial goods
- Lanemetres LTM: 13.1m

Baltic Sea

- 5 routes
- 7 ro-pax / 2 ro-ro ships
- Customers: Freight forwarders & hauliers, manufacturers of heavy industrial goods, passengers travelling by car and foot
- Lanemetres LTM: 4.6m
- Pax LTM: 0.2m

Channel

- 2 routes
- 7 short-sea ferries
- 1 port terminal
- Customers: Freight forwarders and hauliers, passengers travelling by car
- Lanemetres LTM: 19.7m
- Pax LTM: 3.9m

Mediterranean

- 7 routes
- 17 ro-ro ships
- Customers: Freight forwarders and hauliers
- Lanemetres LTM: 2.2m

Passenger

- 2 routes
- 4 passenger ships
- 1 port terminal
- Customers: passengers travelling by car and foot, short break, conferences, freight forwarders & hauliers
- Lanemetres LTM: 0.6m
- Pax LTM: 1.4m

* Q1 2019 numbers are restated to IFRS 16 on a proforma and unaudited basis. Before special items.

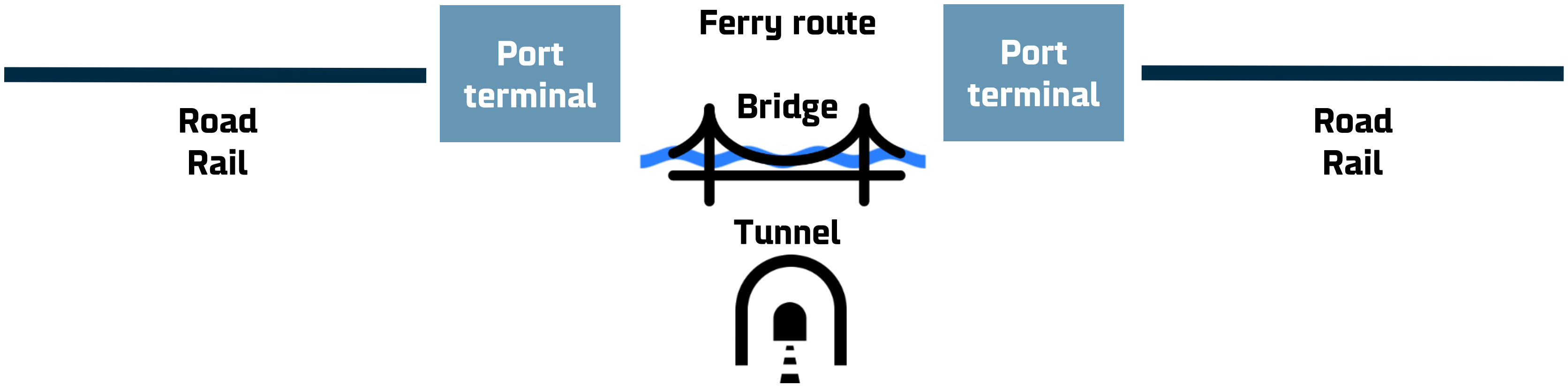
Ferry route capacity dynamics

Stepwise addition of ferries on a route leverages capacity significantly

Route	No. of ships on route today	Minimum required no. of ships for entry	Capacity impact of entry*
Dover-Calais	8	3	38%
Gothenburg-Immingham	3	2	67%
Fredericia- Copenhagen-Klaipeda	1	1	100%

* Assuming entered ships are identical to incumbent ships and same no. of departures per ship

Freight Infrastructure



Logistics Division – focused on full loads & contract logistics

- Flexible, cost efficient and on-time transport solutions to wide variety of manufacturers of goods
- Main activity is full and part loads in traffic corridors with DFDS ferry routes
- Solutions primarily based on network of road, rail and container carriers
- 3 business units

Logistics LTM Q1 2019* DKK m	Revenue	EBIT	Invested capital	ROIC %
Nordic	1,798	80	446	15.4
Continent	2,449	63	593	8.7
UK & Ireland	1,208	61	431	10.8
Non-allocated Items	231	n.a.	n.a.	n.a.
Logistics Division	**5,686**	**204**	**1,470**	**11.4**

Nordic

- Door-door full and part loads: Scandinavia-UK, Baltic and Continent
- Automotive contract logistics
- Paper shipping logistics: Norway-UK/Continent (2 sideport ships)
- Customer segments: Industrials, automotive, consumer goods, paper industry

Continent

- Door-door full and part loads: Continent-UK, Scandinavia and Ireland
- Automotive contract logistics Germany-UK, Belgium
- Customer segments: High value goods, consumer goods, temperature controlled

UK & Ireland

- Door-door full and part loads: Northern Ireland-UK and Continent, Ireland/UK-Spain and UK domestic, Temperature controlled logistics Scotland and England
- Retail logistics Northern Ireland
- Customer segments: Retailers, food producers, seafood producers

* Q1 2019 numbers are restated to IFRS 16 on a proforma and unaudited basis. Before special items.

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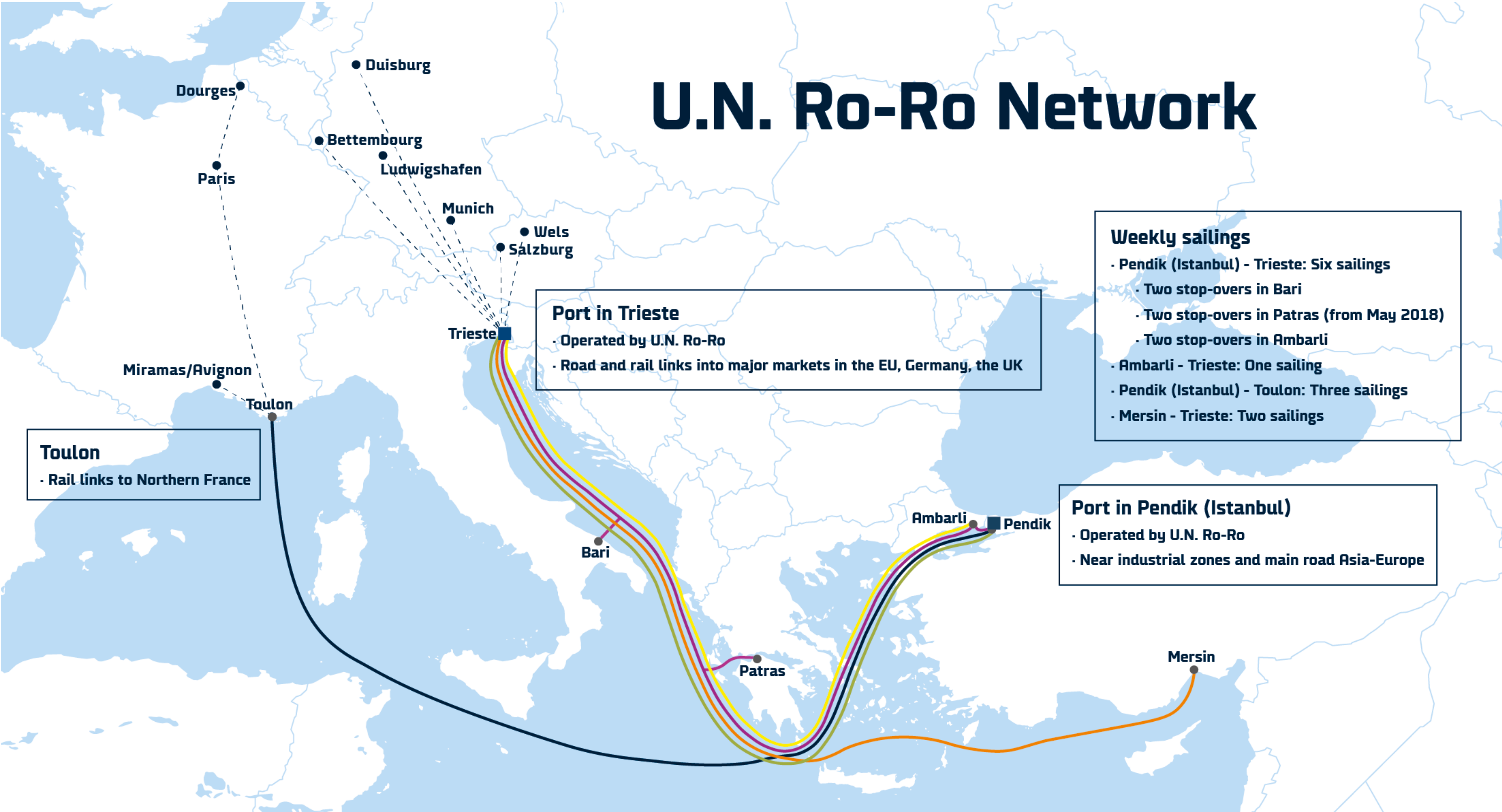
Mediterranean Expansion – Acquisition of UN Ro-Ro

- On 7 June 2018 DFDS acquired 98.8% of the shares in U.N. Ro-Ro for DKK 3.6bn, corresponding to an EV of DKK 7.1bn
- U.N. Ro-Ro is the #1 ferry operator in Turkey.
  - Ferry routes between Turkey and France/Italy
  - 12 modern Ro-Ro vessels at time of acquisition
- Leveraging on Turkey as an important production area to European companies: Semi-finished goods exported to Turkey, processed and in turn imported to Europe as finished goods
- A EUR denominated business (EUR denominated route tariffs) – minimizing TRY exposure
- Increases flexibility and fleet deployment in route network as well as synergies in vessel investments
- Financed through 5Y loans (DKK 5.5bn) and DKK 1bn in new equity. DFDS terminated share buyback of DKK 400m and the planned dividend of DKK 4.0 per share in August 2018

DFDS

U.N. Ro-Ro's route network as per acquisition



(1) U.N. Ro-Ro owns 60% of Port of Trieste's operator (Samer Seaports), owns the company that has the concession agreement
(2) Pendik port is fully owned

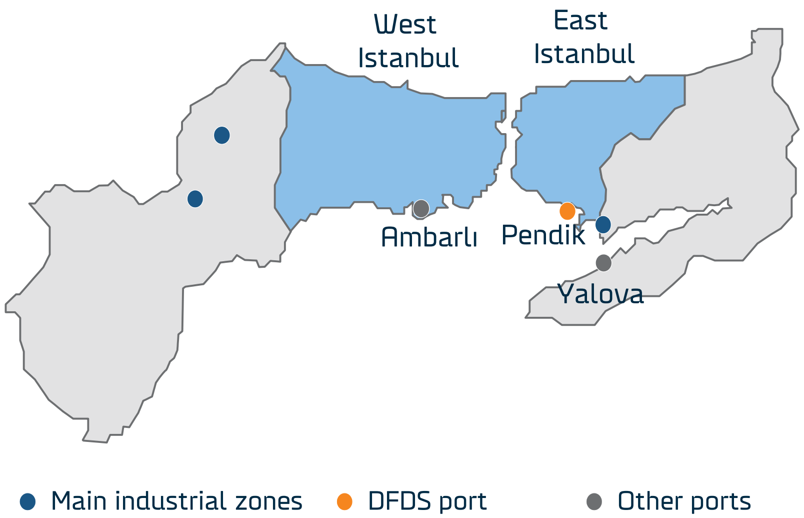
Expanding customer cooperation in the Mediterranean

- On 21 December 2018, DFDS entered into an agreement with Ekol Logistics regarding transport of freight on DFDS' routes
- To support the expected volume increase of around 30%, DFDS entered into agreements to expand port terminals and capacity
- In Istanbul, a 10 year port terminal agreement re Yalova port was established – DFDS Istanbul ports: Yalova, Ambali and Pendik
- One (of two) ro-ro 6,700lm new-building already deployed in the Mediterranean. Second ro-ro new-building expected deployed in June
- Strong business rationale – further strengthening of market position, higher route frequency and deployment of larger vessels

DFDS

Ownership of two key ports and access to six others

Pendik Port (Turkey)



Port of Trieste (Italy)

60% ownership of Samer Seaports

Other ports in route network

Ambarli (Turkey)

- Owned by Akçan SA
- Long-term exclusive contract lease until May 2026

Toulon (France)

- Publicly owned port operated by CCIV
- 3rd party terminal with no exclusive contract

Mersin (Turkey)

- Owned by Mersin International Ports
- 3rd party terminal with no exclusive contract

Barli (Turkey)

- Publicly owned port
- 3rd party terminal with no exclusive contract

Patras (Greece)

- Publicly owned port
- DFDS has private exclusive area for its entire operations

Yalova (Turkey)

- Owned by Ahmet Mosul
- DFDS has a 10 year port agreement

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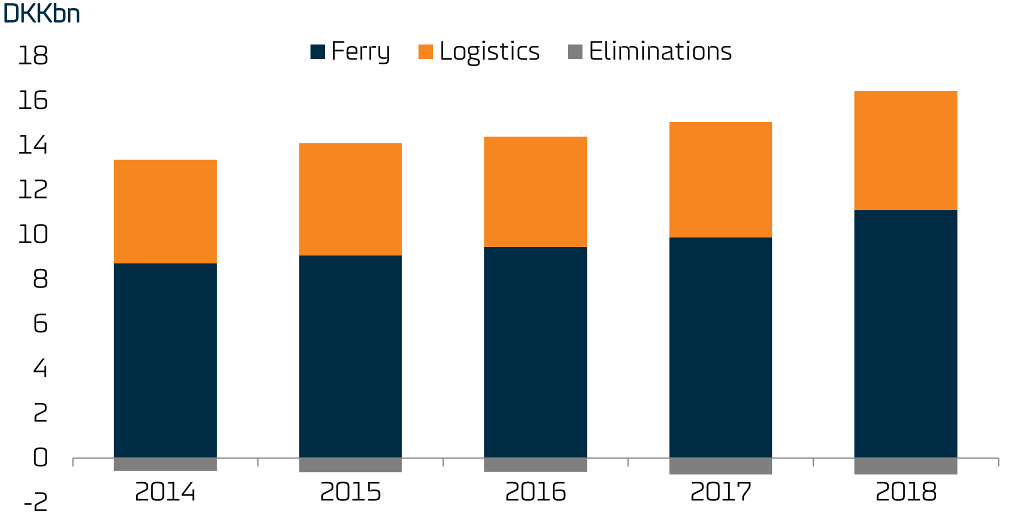
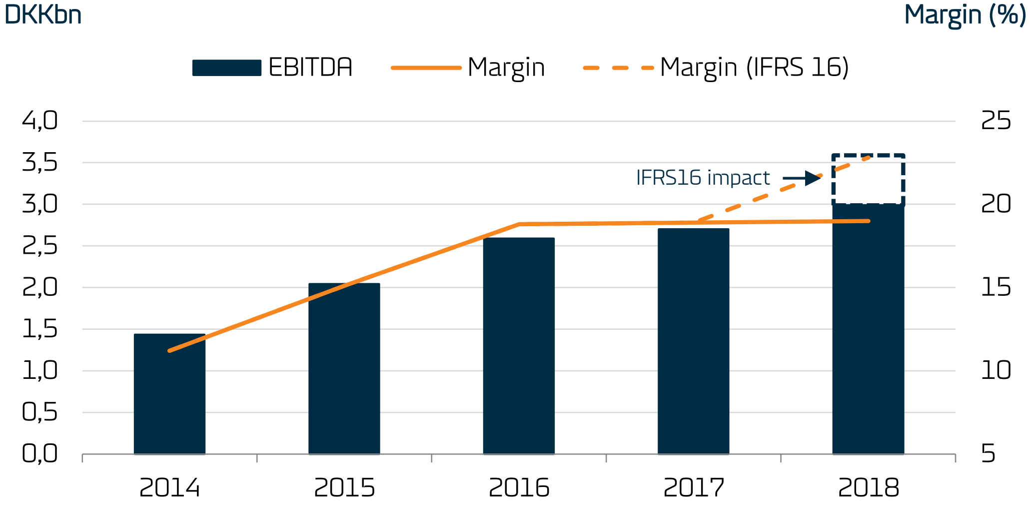
Key financial figures

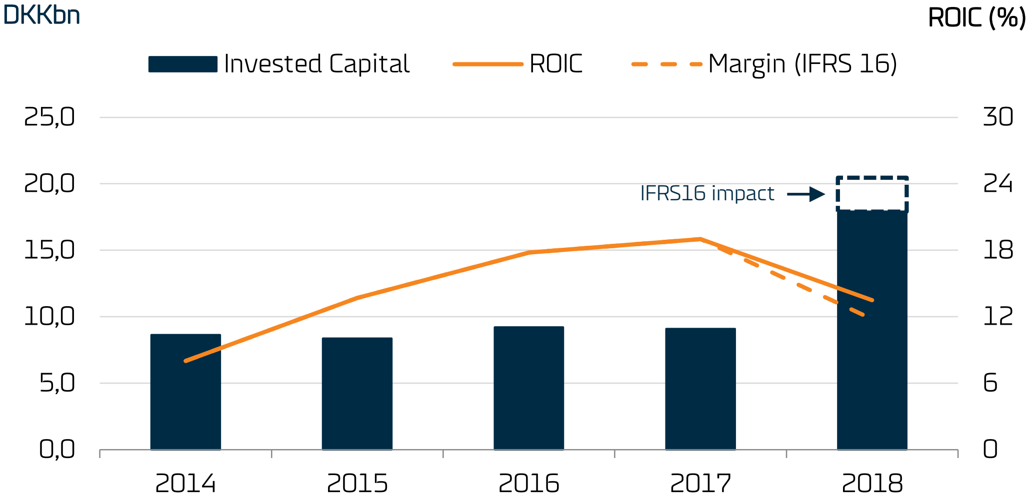
Revenues



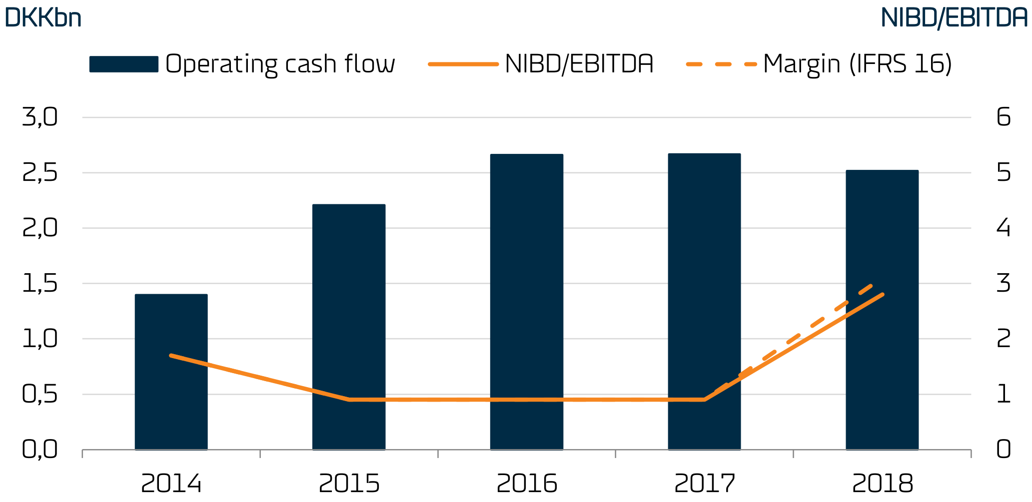
EBITDA and margin before special items



Invested capital and ROIC before special items



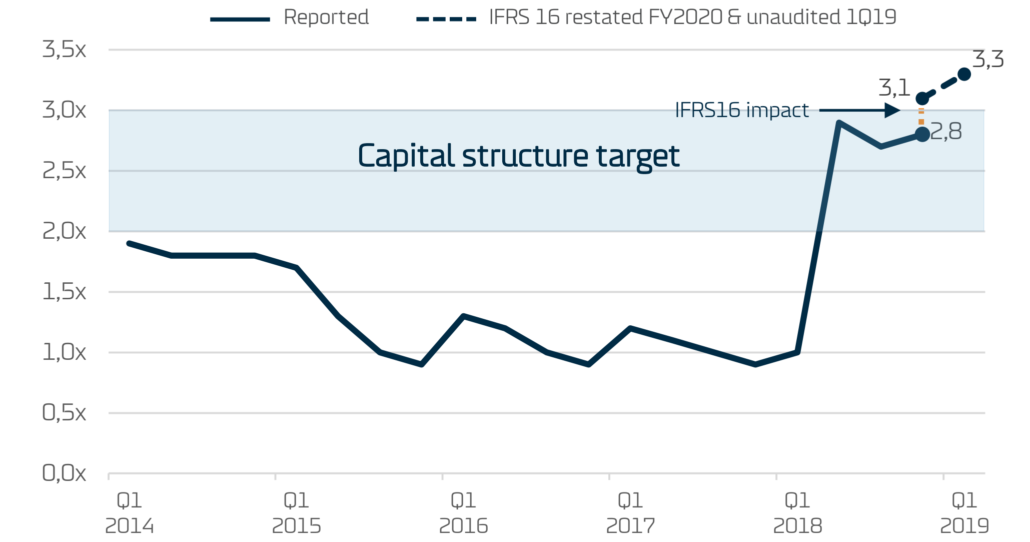
Operating cash flow and NIBD/EBITDA



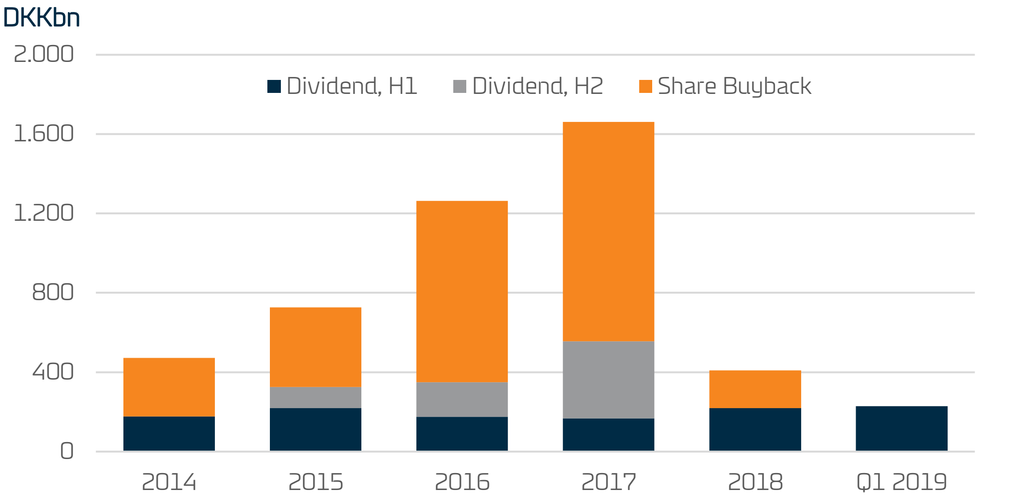
Clear policy on capital structure and distributions

- Capital structure target: NIBD/EBITDA multiple of minimum 2.0x and maximum 3.0x
- Excess capital to be returned to shareholders if multiple is below 2.0x
- Distribution to be reduced if multiple exceeds 3.0x
- Distribution policy: Dividends are paid semi-annually which aligns dividend payments with DFDS' seasonal cash flow cycle and allows for faster dividend adjustments in relation to excess cash or cash needs

NIBD/EBITDA



Payout

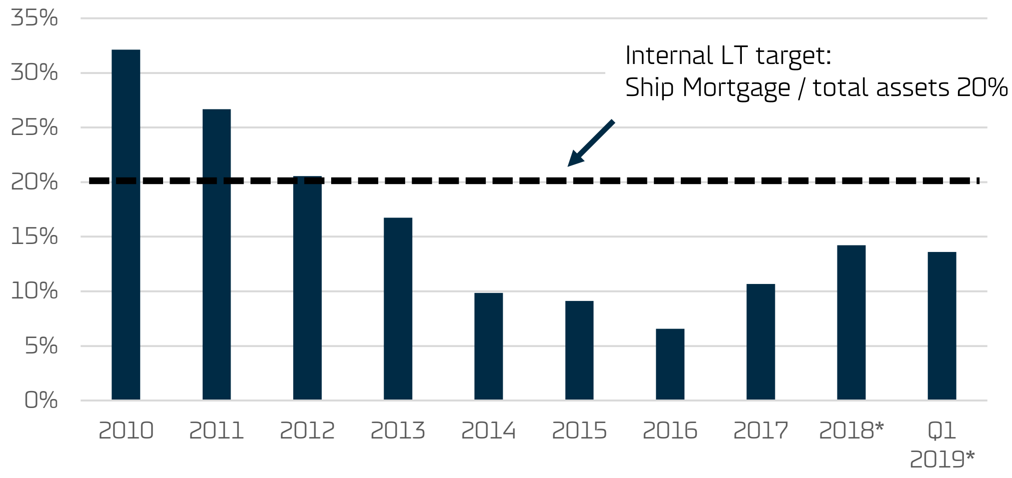


- *Targets can temporarily be suspended in connection with large investments, including acquisitions or other strategic events*
- *Policy introduced in 2013*
- *Capital increase of DKK 1bn in 2018*

DFDS

Debt composition and ship encumbrance

Mortgage Ships/Total Assets



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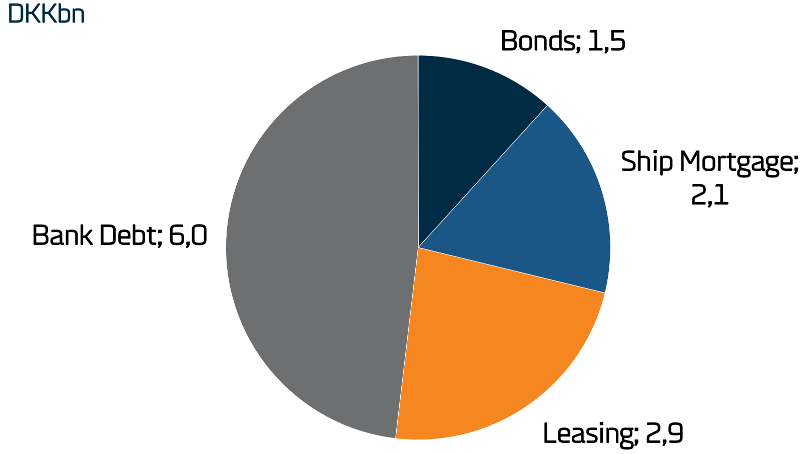
Debt composition Q1 2019

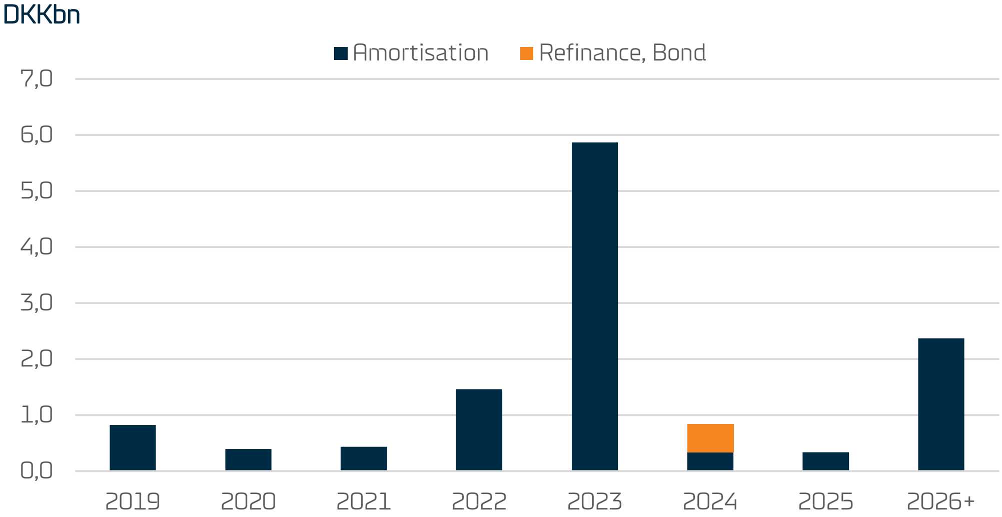


- Internal long term target to maintain mortgage on ships below 20% of total assets
- Current ship mortgage at 14% of total assets
- DFDS policy: To maintain diversified long term funding - securing low funding cost while taking into account long term mortgage/total asset target

- Diversified funding
  - Core banks – primarily long term com. facilities
  - Mortgaged backed ship financing
  - Senior unsecured corporate bonds

Debt repayment profile and CAPEX

Debt Repayment Profile*



* Assumptions: Newbuilding ship financing with 12 year maturity

- Contemplated bond proceeds to refinance DKK 500m bond maturing June 2019

Capex Outlook

- Capex Guidance 2019: Total DKK 2,800m
  - Newbuildings DKK 1,400m
  - Other Capex incl. scrubbers DKK 1,400m
- Capex 2020: delivery 3 freight new buildings
- Further planned new vessels include 2 ro-pax newbuildings and one chartered ro-pax

DFDS

IFRS 16 adjustments

DKKm	Q4 2018 LTM Reported	Q4 2018 LTM IFRS 16 Adjustment	Q4 2018 LTM Proforma unaudited IFRS 16 restated	Covenants Before IFRS 16	Covenants After IFRS 16
EBITDA before special items	2,988	601	3,589		
Total Assets	22,132	2,581	24,713		
Net interest-bearing debt	8,513	2,738	11,251		
Equity ratio, %	41.8	-5.0	36.8	Min 30%	Min 25%
NIBD/EBITDA	2.8x	0.3x	3.1x		

Major drivers and DFDS performance overview Q1 2019

- **Revenue growth of 11% driven by Mediterranean**
- **Cost increase from Mediterranean ramp-up, additional dockings and development of IT/Digital capabilities**
- **EBITDA increase driven mostly by Mediterranean FY impact**
- **Depreciations up DKK 72m mainly due to Mediterranean FY impact**
- **EBIT before SI up 2% to DKK 234m**
- **Finance cost increased DKK mainly related to Mediterranean**

DKKm	Q1 19	Q1 18	Change vs LY	Change %
Revenue	3,870	3,485	385	11%
EBITDA BEFORE SI	677	597	80	13%
margin, %	17.5	17.1	0.4	n.a.
P/L associates	2	3	-2	n.a.
Gain/loss asset sales	1	2	-2	n.a.
Depreciations	-446	-374	-72	-19%
EBIT BEFORE SI	234	229	5	2%
margin, %	6.0%	6.6%	-0.5	n.a.
Special items	-15	-27	12	n.a.
EBIT	219	202	16	8%
Finance	-75	-28	-47	-169%
PBT BEFORE SI	159	201	-43	-21%
PBT	144	175	-31	-18%
EMPLOYEES avg. no	8,222	7,317	905	12%
INVESTED CAPITAL	21,159	11,549	9,610	83%
ROIC LTM ex. SI, %	10.5	15.8	-5.3	n.a.
NIBD	11,979	5,199	6,780	130%
NIBD/EBITDA, x	3.3	1.6	1.7	n.a.
SOLVENCY	35	40	-5	n.a.

SI: Special Items / PBT: Profit before tax / NBD: Net interest bearing debt

Priorities 2019 – unchanged earnings outlook

- **Adapting** to market changes:
  - Continue Brexit preparation
  - Optimise capacity utilization in Mediterranean
- Opening of **new route**, Gothenburg-Zeebrugge
- Delivering on our 5 DFDS **performance** drivers
- **Topline growth**
- Pursue value-creating **M&A**

OUTLOOK 2019

- Revenue growth of 10-12%
- EBITDA range of DKK 3,800-4,000m (2018: restated DKK 3,589m)
  - Ferry Division: DKK 3,425-3,600m (2018: DKK 3,179m)
  - Logistics Division: DKK 425-450m (2018: DKK 431m)
  - Non-allocated items: DKK -50m (2018: DKK -21m)
- Investments of DKK 2.8bn

DFDS

Q&A

Risk factors

Macro-economic and market risks

- **The DFDS Group is exposed to economic downturns or recession**

The DFDS Group is exposed directly or indirectly to downturns in the macro-economic environment. A downturn, either globally or in one or more of DFDS' primary markets may lead to decreasing customer demand, which in turn may lead to overcapacity, falling freight rates and volumes, and subsequently impose downward pressure on the revenue and earnings of the DFDS Group.
DFDS' geographic diversification across mostly northern Europe, including activities related to the Baltic region and adjacent countries, reduces dependence on individual markets. In addition, the diversified route network and logistics activities balance commercial risks, including opportunities for reallocation of ships between routes.

- **Overall freight volumes are very important to costs per unit of freight**

Risks of major fluctuations in earnings caused by market changes and changes in economic growth are highest for the Group's shipping activities and lowest for the transport and logistics activities. The difference in risk profile is due to a high share of fixed costs in ferry shipping as opposed to a high share of variable costs in transport and logistics as the majority of transport services is subcontracted to external carriers. If demand in the freight market decreases, the capacity utilisation of the ferries may be reduced and the cost per unit of freight may increase. In such a case, if the DFDS Group fails to adapt its tonnage sufficiently to the market conditions, it may have a material adverse effect on earnings.

- **The DFDS Group is exposed to changes in freight patterns**

Much of the DFDS Group's activities are based on freight transported through the DFDS Group's route network. Having a balanced freight pattern is an important prerequisite for profitability in the route network, as this enables acceptable utilization of the capacity deployed. Changes to the freight pattern may put downward pressure on the profitability of one or more routes, which may affect the future performance of the DFDS Group.

Partly in order to counteract cyclical demand risk and in order to ensure flexibility to adapt to current market conditions, part of the freight fleet consists of chartered vessels. DFDS charters a limited part of the fleet on short contracts with options for extensions, which facilitates opportunities for redelivery of ships at some months' notice. All passenger ships in the fleet are owned by DFDS, which limits the options for adapting passenger capacity in the short term. DFDS' container activities deploy chartered ships through vessel sharing agreements with other shipping companies, which provide flexibility. DFDS' logistics activities to a large extent lease equipment and subcontract haulage. This results in a high proportion of variable costs and, therefore, less cyclical risk.

- **The DFDS Group is exposed to risks from chartering of vessels**

DFDS mainly charters freight ships for varying periods. Such charters are subject to price risks (charter rates) and risks concerning availability of ships that fit operational requirements. Similar risks, including counterparty risks, are relevant when chartering out excess ships. In addition, there is a price risk related to acquiring or ordering ships at cycle peaks. In connection with the ordering of ships, there is a default risk related to the shipyard, which can lead to additional costs, including delayed delivery. Although the DFDS Group endeavours at any time to charter in or out vessels on profitable terms, subsequent market developments may cause charter contracts to become unprofitable in the long term which in turn may affect the future performance of the DFDS Group.

Due to the ongoing process of replacing and renewing the DFDS fleet, the sale of ships or the cancellation of contracts may result in gains, losses and costs that are not included in annual profit forecasts.

- **The DFDS Group is exposed to competing forms of transportation**

The freight- and passenger-shipping markets are impacted by industry-specific market conditions, including changes in market conditions faced by competing forms of transport such as road, rail and air - the latter of which mainly impacts the passenger sector. Although air transport can only partly be considered a directly competing product to DFDS, price has a crucial influence on the customers' perception of a travel product relative to the price they are willing to pay for the transport component of such product. In addition, markets are impacted by changes in local and regional competition, such as the opening or closing of competing routes and capacity increases on existing routes. If competition from direct and substitute providers in the markets in which DFDS operates intensifies in the future and cannot be compensated for by new or already implemented improvement measures, it may significantly affect the performance of the DFDS Group.

- **The DFDS Group relies on long-term contracts with industrial customers in certain areas**

On a few routes, a significant proportion of freight volumes are derived from a few industrial customers. Risks inherent in such relationships are mitigated by multiple-year customer contracts that also reflect investment requirements to service such contracts. In the event that the proportion of long-term contracts cannot be maintained, it could result in increased earnings fluctuations and uncertainty.

Risk factors

Business development and investment risks

- **DFDS' growth strategy relies on both organic growth and acquisitions**

DFDS' growth strategy embodies business development and investment risks. This is both related to organic growth from investment in ships and growth driven by acquisition of companies and activities. The most important risk associated with organic growth is related to the expansion of capacity on a route by deployment of a larger ship(s).

The acquisition of companies and activities involves significant risks that are proportionate to the size of the investment and the complexity of a subsequent integration process. A large acquisition and a subsequent complex integration process could have a material adverse effect on the DFDS Group's future performance, results of operations, cash flows and financial position. The DFDS Group has a policy on capital structure and distribution of capital based on the NIBD/EBITDA multiple but the targets established may temporarily be exceeded in the context of major investments, including acquisitions.

Operational security and environmental risks

- **Safety and security may fail onboard vessels, on trucks or at port terminals**

The security and safety of passengers, crew, drivers, tonnage, trucks and cargo take the highest priority, and are integral to the DFDS Group's general policies, strategies and targets. The DFDS Group develops its security management system on an ongoing basis. The system consists of documented processes that maintain a constant focus on all aspects of security onboard, for trucks and in port terminals, including verification of compliance with current legislation as well as the DFDS Group's internal specifications. Nevertheless, security and safety failures may occur which can cause unplanned periods in dock, interruption of schedules, and losses to the DFDS Group.

- **The DFDS Group may experience a loss of its vessels or other accidents**

Material damage to vessels may occur as a result of sinking or other accidents. Such situations may arise due to design defects, human error, inadequate maintenance, terrorist attacks, and meteorological or other outside conditions. These risks are controlled and mitigated partly through compliance with safety requirements and routines, as well as preventive work, and partly through insurance against risk. The DFDS Group has taken out insurances to cover losses and costs pertaining to damage including total loss. However, there can be no assurance that these insurances will provide adequate cover to the extent that all losses in connection with a sinking or other accident are covered. For instance, the DFDS Group's insurances do not cover loss of image as expressed by a drop in earnings caused by the public's negative view resulting from a sinking or other accident; the DFDS Group has also only to a limited extent taken out insurance cover for loss of hire i.e. loss of earnings flowing from a vessel being out of service because of a damage. Additionally, insurance premium may increase for the DFDS Group in the future.

- **The DFDS Group's shipping and logistics operations may involve a risk of environmental pollution**

The DFDS Group incurs, and also expects to incur in the future, costs and resources to comply with environmental laws and regulations. Environmental and safety measures are based on DFDS' environmental and safety policies, as well as rules and regulations and customer requirements. Changes in these factors can increase costs for the DFDS Group. The Group participates in preparatory legislative procedures through industry organizations.

Digital and IT risks

- **DFDS is exposed to breakdowns or cyber attacks of critical systems**

Disruptions to critical systems through breakdowns or virus and other cyber attacks may impact commercial operations significantly by reducing revenue and/or increasing costs, ultimately resulting in downward pressure on earnings. The scope of such risks is reduced, but cannot be completely mitigated, by constant monitoring of systems, installation of back-up systems and having proven procedures in place to restore functionality of systems. In addition, information security risks related to the handling of data for passengers and freight customers can have a negative impact on the DFDS brand and subsequent revenues and earnings. Such risks are mitigated by internal controls and adherence to rules and regulations governing information security.

- **DFDS is exposed to competitive risks relating to digital Disruption**

New digital business models or platforms are emerging within the logistics industry. Such platforms primarily seek to digitize the intermediary role between manufacturers and end users that today is managed by freight forwarders. The introduction of such platforms may alter the competitive landscape which in turn may have a significant negative impact on DFDS. To compete with such platforms, DFDS is developing digital solutions for freight customers and monitoring changes in the business environment closely in order to protect activities and exploit business development opportunities.

Risk factors

Political and legal risks

- **Political decisions and legislative changes may affect the DFDS Group**

DFDS' activities are impacted by changes in rules and regulations governing the shipping and transport sector, as well as changes in the overall conditions concerning Europe's infrastructure. In addition to political bodies, DFDS is subject to International Maritime Organization (IMO) conventions. The IMO is the UN body responsible for maritime issues, primarily safety and environment.

Changes in the above rules and regulations can have negative financial consequences, including higher costs and changes in the travel patterns of passengers and routing of freight, including the distribution between sea and land transport.

- **DFDS is exposed to the implications of Brexit**

DFDS is subject to risks relating to changes in the volume of goods traded between the EU and the UK following Brexit. According to the current known timeline, Britain will leave the EU by end March 2019. If a new trade agreement is not established, or if a new trade agreement restricts trade through tariffs and non-tariff costs, then trading, and thereby trading volumes, could be negatively impacted. This may significantly affect the performance of the DFDS Group by putting downward pressure on earnings.

- **Changes in taxation and VAT arrangements may affect the DFDS Group**

Other significant political risks concern changes to taxation arrangements for staff at sea, abolition of duty-free sales in Norway if the country were to join the EU, cancellation of VAT exemption on tickets and on-board sales, and changes of tonnage tax schemes. Changes to any of the abovementioned arrangements may affect the future performance of the DFDS Group.

- **DFDS may be exposed to changes in environmental standards**

The European Union has agreed the MRV (Monitoring, Reporting, Verification) regulation, according to which all vessels calling at EU ports must report their CO2 emissions and the related transport work. The first reporting year is 2018 and DFDS is well prepared to meet the respective deadlines for this mandatory reporting. On a similar note, IMO has agreed its "fuel oil data collection" system, which from January 2019 will also chart data on ships' fuel consumption.

DFDS is preparing for these systems in order to mitigate the risk. However, it is likely that IMO and the EU continue promoting new legislation and/or stricter limitations to existing legislation which can increase DFDS' costs.

- **The DFDS Group may be exposed to legal or arbitration proceedings in the future**

Shipping companies may from time to time be subject to law suits and thereby become a party to legal or arbitration proceedings. A ruling in any such proceedings where DFDS is involved which would be disadvantageous to the DFDS Group, may result in fines, unforeseen costs or reputational damage and could have a material adverse effect on the future performance of the DFDS Group.

Risk factors

Financial risks

- **The DFDS Group is exposed to fluctuations in bunker prices**

The freight industry is highly exposed to fluctuations in the bunker price and in many cases contracts are entered with the customers in which the customers agree to pay part of the cost of bunkers. DFDS is exposed to the risk that the increase in bunker cost cannot be passed on to the customers, which would result in higher costs to the DFDS Group. Increased bunker costs may have a material adverse effect on the future performance of the DFDS Group, the results of operations, cash flows and financial position of the Group.

- **The DFDS Group is exposed to changes in interest rate levels**

DFDS is exposed to changes in the interest rates through the company's loan portfolio. Interest rate movements unfavorable to the DFDS group may increase the DFDS Group's interest expense, which could have a material adverse effect on the DFDS Group's future performance and financial position. At the end of December 2016, the proportion of net fixed-interest loans was 55%, which is consistent with the objective of a hedging level of 40–70%. When calculating interest rate risks, long-term charter contracts are included under fixed-interest loans. It is estimated that an increase in interest rates of 1%-point, compared to the level at the end of December 2016, would have a negative impact on financial performance of approximately DKK 10.2m.

- **The DFDS Group is exposed to changes in exchange rates**

The DFDS Group is exposed to currency risks through the geographical distribution of the DFDS Group's business activities. The most significant net income currencies are SEK, NOK, EUR and GBP, while USD is the most significant net expense currency due to bunker purchases invoiced in USD. Transaction risks are not hedged. However, USD risk is hedged in connection with hedging of bunker. Any unfavorable development in one or more of the abovementioned currencies could have a material adverse effect on the DFDS Group's future performance, results of operations, cash flows and financial position.

- **The DFDS Group is exposed to liquidity risk through counterparty**

DFDS is exposed to credit risks in relation to the risk of loss on trade receivables and in relation to general counterparty risks, including counterparties in chartering of vessels and financial counterparties. The Group systematically and regularly conducts internal credit assessments of counterparties to minimize the risk of losses on counterparties. The internal credit assessment of financial counterparties is based on ratings from international credit rating agencies. The Board of Directors approves general limits on deposits, etc. with DFDS' counterparts on this basis. At present, the risks are estimated to be limited. There can be no assurance, however, that the DFDS Group will not in the future suffer major losses on debtors or other counterparties or that such losses will be sufficiently covered through credit insurance and this could have a material adverse effect on the DFDS Group's future performance, results of operations, cash flows and financial position.