WELCOME
Enter the date in the field.

Change the color of the angle, choose between the four colors.
We move freight and passengers on 23 ferry routes in Europe and Turkey.
We also provide transport and logistics solutions to a wide range of businesses.
Freight routes | Logistics solutions | Passenger routes
---|---|---
- Trailers, unaccompanied & accompanied
- Industry solutions
- Port terminals | - Door-door full & part loads
- Contract logistics | - Overnight
- Day
- Transport/holiday
- Cruise ferry

**Freight**

**Share of Group revenue**

- 80% freight
- 20% pax
DFDS key figures
Acquisitions fueled growth and earnings in Q2

- UNRR consolidated from 7 June with revenue of DKK 141m and EBITDA of DKK 50m

- DFDS Group revenue up 6% and EBITDA up 9% to DKK 802m

- EBITDA outlook for full-year 2018 unchanged at DKK 3.0-3.2bn

- Financial leverage increased following acquisition, NIBD/EBITDA at 2.4 on pro forma basis, reported 2.9
## Growth strategy shaping 2018 & beyond

| Growth from acquisitions          | • Special Cargo: operator of flatbed trailers in Europe, consolidated 3 January 2018 |
|                                  | • U.N. Ro-Ro: freight ferry routes connecting Europe and Turkey, completed 7 June 2018 |
|                                  |   • Integration expected to be completed in 2018 |
|                                  | • Financial flexibility maintained to pursue further opportunities |

| Growth from ferry new building orders | • 6 freight ferries (ro-ro), from early 2019 |
|                                       | • 2 combined freight and passenger ferries (ro-pax), from 2021 |
|                                       | • 1 Channel ferry, 10-year bareboat charter, from 2021 |

| Operational efficiency             | • Italian logistics activities restructured |
|                                   | • Boost projects for challenged logistics activities |
|                                   | • Corporate functions restructured |
|                                   | • Rosyth-Zeebrugge route closed |
|                                   | • Starlight: On board customer service and revenue project |

| Digital                          | • Ongoing investment in digital customer solutions |
|                                 | • Operating efficiency |
|                                 | • Realise long-term digital strategy |
# Leverage route network & logistics through M&A

<table>
<thead>
<tr>
<th>Acquisition type</th>
<th>Description</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expand core route and logistics network</strong></td>
<td>Expand ferry network in existing markets and expand to new European markets&lt;br&gt;Acquire forwarders synergetic with shipping (e.g. to secure cargo control for routes)</td>
<td>Alphatrans</td>
</tr>
<tr>
<td><strong>Core in Europe</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Grow supply chain solutions in selected areas</strong></td>
<td>Acquire new competencies and capabilities to expand product portfolio&lt;br&gt;Target businesses with ferry synergies</td>
<td></td>
</tr>
<tr>
<td><strong>Niche logistics operators</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Build efficient digital offering and innovate for customers</strong></td>
<td>Acquire / partner for new digital competencies to leap-frog and to mitigate risk of disruption (e.g. aggregator, comparison site, digital platform)</td>
<td></td>
</tr>
<tr>
<td><strong>Digital start-ups</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Key logistics sectors for DFDS

- Cold chain
- Forestry & metals
- Automotive (also Turkey)
- High-value
## 5 tech trends most relevant for DFDS

<table>
<thead>
<tr>
<th>DFDS</th>
<th>Connect through information...</th>
<th>Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Real time IoT tracking at every step of the logistics chain</td>
<td>Fully connected supply chain network with real time coordination by all parties</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DFDS</td>
<td>... for continuous learning and development...</td>
<td>Customers</td>
</tr>
<tr>
<td></td>
<td>Ongoing optimization of network (capacity, timing) to customer demands</td>
<td>Connected optimization of timing reliability across supply chain players for end-consumer (i.e. just in time shipments and delivery)</td>
</tr>
<tr>
<td></td>
<td>Ongoing reduction of ops time (e.g. terminals)</td>
<td></td>
</tr>
<tr>
<td>DFDS</td>
<td>... with offerings safely transacted digitally...</td>
<td>Customers</td>
</tr>
<tr>
<td></td>
<td>Physical docs and payments made digital</td>
<td>Transaction information seamlessly transferred digitally throughout chain</td>
</tr>
<tr>
<td>DFDS</td>
<td>... and operations done by autonomous assets...</td>
<td>Customers</td>
</tr>
<tr>
<td></td>
<td>Autonomous vessels and terminals</td>
<td>Autonomous cars and trucks (self-driven vehicles)</td>
</tr>
<tr>
<td>DFDS</td>
<td>... powered by Energy 2.0</td>
<td>Customers</td>
</tr>
<tr>
<td></td>
<td>A fleet of electrified, charging assets, with no bunker consumption</td>
<td>Minimal energy cost/km for all transportation methods</td>
</tr>
<tr>
<td></td>
<td>Energy provider to e.g. customers</td>
<td>No / minimal CO₂ emissions</td>
</tr>
</tbody>
</table>

### Key tech focus areas (ranked by urgency)
1. IoT
2. AI / Machine learning
3. Blockchain
4. Autonomous
5. Energy 2.0
Further investment in 3 key digital areas

Key observations...

1. **Digital go-to-market:**
   Create flawless and efficient digital offering

2. **Digitize the core:**
   Digitize the core processes for efficiencies

3. **Innovation & partnerships:**
   Innovate and partner to exploit emerging trends

---

Most customers are served through a manual and analogue process with several pain points

Many internal processes are manual with potential for efficiency boost

Many future trends, some with potential high impact for DFDS – focused approach and engagement
Digital go-to-market: 80% of business comes from 400 customers and 60% of small customers treated manually.

DFDS Shipping and Logistics customer statistics, 2017

**Description**

- 3rd Party Logistics provider and hauliers
- Larger cargo owners producing or handling raw material and goods
- Small customers with revenue below ~4mDKK

**Revenue split**

<table>
<thead>
<tr>
<th>Description</th>
<th>Analogue</th>
<th>EDI</th>
<th>Digital</th>
</tr>
</thead>
<tbody>
<tr>
<td>3rd Party Logistics provider and hauliers</td>
<td>27%</td>
<td>42%</td>
<td>31%</td>
</tr>
<tr>
<td>Larger cargo owners producing or handling raw material and goods</td>
<td>64%</td>
<td>23%</td>
<td>13%</td>
</tr>
<tr>
<td>Small customers with revenue below ~4mDKK</td>
<td>60%</td>
<td>25%</td>
<td>15%</td>
</tr>
</tbody>
</table>

Long tail of 11,000 customers to be serviced more efficiently to release resources for growth.
Digitizing the core consists of three overall elements: Software, Hardware & networks and Analytics

**Software**

- Composable architecture
- Cloud
- Datacenters
- Delivery process
- Nearshoring

**Hardware & networks**

- Sensors/IoT on physical assets (e.g., vessels, terminals, port equipment)
- Connectivity everywhere to ensure data delivery (e.g., at sea, in terminals)

**Analytics**

- Capturing data in large volumes
- Using data analytics in real time
- Building AI solutions

Focus next
Ambition to create a DFDS solution improving customer experience drives 5 significant value levers

- **Instant Quoting**: Requires defined products & prices
- **Instant Onboarding**: Requires agreements to be non-route or market specific
- **Online Sales**: Requires defined product catalogue (incl. bundles)
- **Online Self-service**: Requires proper user identity management
- **Online Payment**: Requires fully automated payment platform
- **Proactive Exceptions handling & new solutions proposals**: Requires comprehensive and structured data collection

Attract new customers  
Serve customers efficiently  
Increase share of wallet  
Improve customer retention  
Limit risk from new platforms
Example, autonomous trucks: Research indicates 10-30% of all trucks will be autonomous by 2030

Note: trucks after 2030 matched with car adoption rate
Source: Victoria Transport Institute & International Transport Forum
Example, autonomous ships: Commercialization ongoing – however material impact not expected until after 2030

<table>
<thead>
<tr>
<th>Year</th>
<th>Remotely operated local vessels</th>
<th>Remotely controlled ships commercialized (Costal / short-sea)</th>
<th>Remotely controlled unmanned ocean-going ships</th>
<th>Autonomous unmanned ocean-going ships</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>Yara is already doing this by building 'Birkeland' the world’s first fully electric and autonomous container ship with zero emissions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>Birkeland will initially operate as a manned vessel</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>Moving to remote Yara operation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>Expected to be performing fully autonomous operations</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

However, a clear business case on autonomous ships still needs to be developed according to Rolls-Royce:

- Technologies to make ships remote and autonomous exist – task is to find optimum way to combine them reliably and cost effectively.
- Effects on safety and security of autonomously or remotely controlled ships not yet extensively studied.
- So far, little research on which rules and regulations need to be changed and how.

Source: Waterborne, Yara company site, Rolls Royce: "Autonomous ships the next step"
Logistics: Winning business model will be either a start-up gaining scale or an incumbent successfully innovating.

- Marketplaces/spot exchanges
  - The digital battlefield
  - Flexport is an end-to-end VFF in a digital tier of its own

- Virtual Forwarders (start-ups)
  - Flexport
  - freighthub
  - kontainers
  - TURVO
  - Instafreight
  - Frachtraum
  - Transportca

- Forwarders (incumbents)
  - GEODIS
  - KUEHNE + NAGEL
  - DHL
  - DB Schenker
  - C.H. Robinson
  - HELLMANN Worldwide Logistics
  - DSV

- No VFF handling RoRo today

- Marketplaces
  - Booking platform directly linking shippers and carriers with minimal to no service
  - Beyond booking—no involvement

- Virtual forwarders
  - Virtual end-to-end forwarder coordinating with carriers
  - One-stop-shop for shippers replacing traditional FFs

Source: BCG analysis
Real GDP growth 2019 (OECD)

UK +1.2%

Euro area +1.9%

Turkey +0.5%

Source: OECD, September 2018 outlook
Priorities going into 2019

- Integration of Mediterranean route network
- Adapt to Brexit outcome
- Realise our next steps in digital strategy
- Improve performance of Passenger business unit
- Deployment from March 2019 of two freight new buildings (ro-ro)
- Pursue value-creating M&A
STRONGLY POSITIONED TO WEATHER TRY DEPRECIATION

MEDITERRANEAN
Introduction and agenda

• Mediterranean business overview – strong value proposition to customers, market position and operational set-up

• Market overview – growth, resilience and outlook

• Integration – synergies and development opportunities

• Going forward
# Strong and experienced Mediterranean management team

<table>
<thead>
<tr>
<th>Fuat Pamukçu, VP Sales &amp; Marketing</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Chief Marketing, Business Development and Strategy Officer since 2016 until DFDS takeover. Undertaken Sales operations in addition to Marketing, Business Development and Strategy</td>
</tr>
<tr>
<td>• Joined U.N. Ro-Ro in 2007</td>
</tr>
<tr>
<td>• Previously at Citigroup Investment Bank in London</td>
</tr>
<tr>
<td>• Bachelor in Industrial Engineering and Management Sciences &amp; Economics from Northwestern University</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Kemal Bozkurt, VP Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Chief Operating Officer (COO) since 2013</td>
</tr>
<tr>
<td>• Joined U.N. Ro-Ro in 2011</td>
</tr>
<tr>
<td>• Previously at Limak Ambarlı Çimento, Set Group and Is Bank</td>
</tr>
<tr>
<td>• Master in Building Materials Management from MIP Politecnico di Milano</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cenk Altun, VP Finance</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Joined as CFO in 2018</td>
</tr>
<tr>
<td>• Previously Finance Director at Danone Turkey and Financial Planning Manager at Pepsi Bottling Groupe</td>
</tr>
<tr>
<td>• Bachelor of Business Administration from Middle East Technical University</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Selçuk Boztepe, SVP</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Joined as CEO in 2017</td>
</tr>
<tr>
<td>• Previously at DHL in various positions, most recently as Managing Director Turkey, Middle East and Southeast Europe</td>
</tr>
<tr>
<td>• Bachelor’s degree from Marmara University, Executive MBA program from Maine University</td>
</tr>
</tbody>
</table>
Network capabilities delivering compelling customer value

- 12 Vessels
- 10.8 Years Avg. Age
- 45,356 LM Total Capacity

- 7 Ports of call
- Trieste Freeport Status
- Ownership of Pendik Port

Secure access to infrastructure with 80% of volumes moving through controlled ports

Weekly sailings
- Pendik (Istanbul) - Trieste: Six sailings
  - Two stop-overs in Bari
  - Two stop-overs in Patras (from May 2018)
  - Two stop-overs in Rimini
- Pendik (Istanbul) - Toulon: Three sailings
- Mersin - Trieste: Two sailings

Port in Trieste
- Operated by DFDS
- Road and rail links into major markets in the EU, Germany, the UK

Port in Pendik (Istanbul)
- Operated by DFDS
- Near industrial zones and main road Asia-Europe

Note: (1) Long term concession with freeport status. DFDS owns 60% of Port of Trieste’s operator (Samer Seaports Company). (2) c. 74k sqm owned and c. 26k sqm leased from the state. (3) DFDS provides geographical promotions to customers for third party sea connections. (4) Air travel for truck drivers arranged with third parties by DFDS
Ferry business model attractive for time sensitive freight

Highly Efficient Mode of Transportation Between Turkey and Europe

Target Market: Time Sensitive Cargo **Land** 4-6 days

- Truck Cargo (Ro-Ro & Land)
- Own Ro-Ro vessels
- Partner with intermodal providers
- Own / control ports
- Container dropped / picked up from port
- Container picked up / dropped from train stations

Target Market: Time Sensitive Cargo **Ro-Ro** 4-6 days

- Air transport for drivers
- Trailers dropped / picked up from port
- Own / control ports
- Partners with intermodal providers
- Trailer picked up / dropped from train stations

Target Market: Less Time Sensitive Cargo **Containerships** 10-15 days

- Truck Cargo (Ro-Ro & Land)
- Own Ro-Ro vessels
- Partner with intermodal providers
- Own / control ports
- Container dropped / picked up from port
- Container picked up / dropped from train stations
Diversified cargo types

Mediterranean network offers valuable, fast and reliable services to cargo types ranging from trailers, containers and project cargo.

<table>
<thead>
<tr>
<th>Cargo Type</th>
<th>Percentage of Total in 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard Rolling Cargo</td>
<td>86%</td>
</tr>
<tr>
<td>Container</td>
<td>6%</td>
</tr>
<tr>
<td>Project / Other Rolling Cargo</td>
<td>8%</td>
</tr>
</tbody>
</table>

Unaccompanied trailers represent approximately 80% of standard cargo volume.

Container operations started at the end of 2013 with a strong demand for intermodal transport in the Turkish market.

Note: (1) Measured as % of total Lane Meters.
Ownership of two key ports and access to five others

Pendik Port (Turkey)
- Ownership by AkçanSA
- Long-term exclusive contract lease until May 2026

Port of Trieste (Italy)
- 60% ownership of Samer Seaports

Other ports in route network:
- Ambarlı (Turkey)
  - Owned by AkçanSA
  - 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
- Bari (Italy)
  - Publicly owned port
  - 3rd party terminal with no exclusive contract
- Patras (Greece)
  - Publicly owned port
  - DFDS has private exclusive area for its entire operations
# Modern freight ferry fleet

<table>
<thead>
<tr>
<th>Name</th>
<th>UN İstanbul</th>
<th>Cemil Bağulyan</th>
<th>Cüneyt Solakoğlu</th>
<th>UN Akdeniz</th>
<th>UN Karadeniz</th>
<th>UN Trieste</th>
<th>UN Pendik</th>
<th>Saffet Ulusoy</th>
<th>UN Marmara</th>
<th>UND Birlık</th>
<th>UND Atılım</th>
<th>UND Ege</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lane Meter Capacity (Current/Post-lengthening)</td>
<td>4,094</td>
<td>3,735/4,605(2)</td>
<td>4,605</td>
<td>4,605</td>
<td>3,735/4,605(2)</td>
<td>3,735</td>
<td>3,735</td>
<td>3,735</td>
<td>3,214</td>
<td>3,214</td>
<td>3,214</td>
<td></td>
</tr>
<tr>
<td>Approximate Trailer Capacity (Current/Post-lengthening)</td>
<td>265</td>
<td>240/300(2)</td>
<td>300</td>
<td>300</td>
<td>240/300(2)</td>
<td>240</td>
<td>240</td>
<td>240</td>
<td>207</td>
<td>207</td>
<td>207</td>
<td></td>
</tr>
<tr>
<td>Length (m) (Current/Post-lengthening)</td>
<td>208</td>
<td>193/223(2)</td>
<td>223</td>
<td>223</td>
<td>193/223(2)</td>
<td>193</td>
<td>193</td>
<td>193</td>
<td>193</td>
<td>193</td>
<td>193</td>
<td></td>
</tr>
<tr>
<td>Speed (Knots) (3)</td>
<td>21</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Registration</td>
<td>Turkish International Ship Registry</td>
<td></td>
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</tbody>
</table>

- All vessels are sisterships from Flensburger Schiffbau-Gesellschaft (FSG) shipyard, based in Flensburg, Germany.
- FSG is a highly esteemed shipyard and their Ro-Ro vessel design, which was created with input from the UN Ro-Ro team, has remained an industry standard.

Note: (1) Vessel loading capacity for trailers dependant on cargo mix for each sailing; for illustration purposes 15.4m average is used. (2) To be lengthened in 2018. (3) Maximum speed.
## Why customers choose ferry solution vs road transport

<table>
<thead>
<tr>
<th>Key Customer Shifting from Land to Ro-Ro</th>
<th>Value Add to Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lower Capital Expenses</strong></td>
<td></td>
</tr>
<tr>
<td>Intermodal model reduces investment requirement for trucking companies (allows for fewer trucks and more trailers in fleet)</td>
<td>✓</td>
</tr>
<tr>
<td><strong>Lower Operating Expenses</strong></td>
<td></td>
</tr>
<tr>
<td>Cost-competitive pricing vs. land delivers savings to trucking companies (lower driving time, fuel costs, driver and other expenses)</td>
<td>✓</td>
</tr>
<tr>
<td><strong>Fewer Drivers Required</strong></td>
<td></td>
</tr>
<tr>
<td>Mitigates the issue of limited available truck drivers in Turkey and Europe</td>
<td>✓</td>
</tr>
<tr>
<td><strong>No Congestion Issues</strong></td>
<td></td>
</tr>
<tr>
<td>Unaffected by continued road congestion and unreliability of road transportation</td>
<td>✓</td>
</tr>
<tr>
<td><strong>No Visa Requirements</strong></td>
<td></td>
</tr>
<tr>
<td>Circumvents the strict EU visa requirements to Turkish truck drivers and driving restrictions</td>
<td>✓</td>
</tr>
<tr>
<td><strong>No Need for Road Permits</strong></td>
<td></td>
</tr>
<tr>
<td>Avoids the issue of limited EU transit permits to Turkish trucks; no increase in the last five years(2)</td>
<td>✓</td>
</tr>
<tr>
<td><strong>Environmentally Friendly</strong></td>
<td></td>
</tr>
<tr>
<td>Lower fuel consumption and reduced CO₂ emissions than road transportation</td>
<td>✓</td>
</tr>
</tbody>
</table>

### Notes:

1. Ro-Ro reduces visa requirements as time spent at sea or on rail within the Schengen area does not count as working days for the driver for visa purposes. (2) Transportation ministries from respective countries agree on number of permits to be distributed to trucking companies when needed. The number of permits is fixed and limited.
Documented cost advantage of Ro-Ro vs Land

**Operational Expense Reductions**

- Ro-Ro service is more cost efficient
- Increasing use of semi-trailers has made Ro-Ro even more cost competitive
- Ro-Ro operators can act to maintain this cost advantage through pricing decisions/expanding intermodal services

**DFDS Cost Savings by Destination (1)**

<table>
<thead>
<tr>
<th>Destination</th>
<th>Trieste</th>
<th>Toulon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barcelona</td>
<td>20%</td>
<td>31%</td>
</tr>
<tr>
<td>Paris &amp; Lyon</td>
<td>9%</td>
<td>10%</td>
</tr>
<tr>
<td>Milan</td>
<td>10%</td>
<td>(2)</td>
</tr>
<tr>
<td>Munich</td>
<td>5%</td>
<td>(2)</td>
</tr>
<tr>
<td>Manchester</td>
<td>6%</td>
<td>4%</td>
</tr>
<tr>
<td>Brussels</td>
<td>4%</td>
<td>(2)</td>
</tr>
</tbody>
</table>

Note: (1) The price components considered include bunker costs, vessel tickets, highway charges, bridge tolls, average land distances, driver costs, depreciation and maintenance costs; as of December 2017. (2) Choice of Ro-Ro mode of transportation with Toulon route would not be commercially viable on these routes.

**Capital Expenditure Reductions**

- **Land**
  - Cost of c. €125K for 1 truck and 1 trailer set; €375K for 3 trucks and trailers
- **Ro-Ro**
  - Cost of c. €175K for 1 truck and three trailers
  - Less than half the cost compared to land route
  - Switching truck fleet configuration to Ro-Ro model creates significant customer stickiness
Road to ferry conversion expected to continue to drive growth

**Key highlights**

- 304k freight units exported from Turkey to Europe in 2017 by road and ferry double of 2007 volume
- Ferry expected to continue to gain market share vs. road in coming years due to
  - Transit time and costs
  - Border crossings and customs formalities
  - Security issues
  - Permit and visa issues
  - Limited investments in road infrastructure
  - Congestion
- Ferry’s share of total market increased from 47.9% in 1H13 to 54.3% in 1H18
- **DFDS share** of ferry segment is **61.0% in 1H18**
Diversified & loyal customer base

- Compelling Customer Value Proposition
- Increasing Customer Loyalty to DFDS
- Customers Adapt Business Model for Ro-Ro Services
- Customers optimising their asset base and reducing truck investments

### # of Services Provided

<table>
<thead>
<tr>
<th>Customer</th>
<th># of Years of Relationship</th>
<th>Ro-Ro</th>
<th>Intermodal</th>
<th>Value Added Service</th>
<th>% of 2017 Unaccompanied trailers (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer 1</td>
<td>20</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>91%</td>
</tr>
<tr>
<td>Customer 2</td>
<td>24</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>86%</td>
</tr>
<tr>
<td>Customer 3</td>
<td>24</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>89%</td>
</tr>
<tr>
<td>Customer 4</td>
<td>20</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>87%</td>
</tr>
<tr>
<td>Customer 5</td>
<td>24</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>85%</td>
</tr>
<tr>
<td>Customer 6</td>
<td>20</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>93%</td>
</tr>
<tr>
<td>Customer 7</td>
<td>20</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>97%</td>
</tr>
<tr>
<td>Customer 8</td>
<td>20</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>83%</td>
</tr>
<tr>
<td>Customer 9</td>
<td>24</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>99%</td>
</tr>
<tr>
<td>Customer 10</td>
<td>20</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>91%</td>
</tr>
</tbody>
</table>

Top 5 customers’ revenues represented 26% of total revenues in 2017

Note: (1) Refers to % of 2017 unaccompanied trailers of relevant customers’ total volume in U.N. Ro-Ro.
Effective pricing mechanism

- Calculated and announced on a monthly basis at the beginning of every month
- BAF levels then determined to reflect the change in bunker prices for the budgeted / estimated number of units
- DFDS differentiates the BAF in 2018 by routes given each route has a different bunker consumption in line with the distance travelled
- Land truckers have fuel as their main cost component
  - BAF changes do not impact cost competitiveness of Ro-Ro vs land
  - Close monitoring of land truckers’ cost components

DFDS ferries operate with c. 20 days of inventory for the vessel bunkering
- Approximate cost for upcoming month is known

- Calculations based on EUR value of bunker prices
  - DFDS reflects changes in EUR/USD to the freight rates

- Land truckers have fuel as their main cost component
- BAF changes do not impact cost competitiveness of Ro-Ro vs land
- Close monitoring of land truckers’ cost components

<table>
<thead>
<tr>
<th>Pricing Mechanism Overview</th>
<th>U.N. Ro-Ro Tariff Price</th>
<th>Total Handling Costs</th>
<th>BAF Adjustment</th>
<th>Discount on ticket based on size of bulk ticket allocation</th>
<th>Rebate based on customer’s choice of payment method</th>
<th>5% - 30% discount compare to land transportation cost depending on destination</th>
<th>Final Potential Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Port expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjustment based on bunker cost changes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discount</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bulk Ticket Allocation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discounted Price</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rebates</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Calculation Method and Sensitivity to Bunker Prices and USD/EUR exchange rate

- Calculated and announced on a monthly basis at the beginning of every month
- BAF levels then determined to reflect the change in bunker prices for the budgeted / estimated number of units
- Calculations based on EUR value of bunker prices
  - DFDS reflects changes in EUR/USD to the freight rates
- DFDS differentiates the BAF in 2018 by routes given each route has a different bunker consumption in line with the distance travelled
- Land truckers have fuel as their main cost component
  - BAF changes do not impact cost competitiveness of Ro-Ro vs land
  - Close monitoring of land truckers’ cost components
## Strong communication with customers

<table>
<thead>
<tr>
<th>Segment</th>
<th>Potential Standard Units</th>
<th>Sales Force Responsible</th>
<th>Sales Approach</th>
<th>No. Visits (1) (2017)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Platinum</strong></td>
<td>3,000+</td>
<td>1 Key Account Manager, Sales Manager, Chief Sales Officer</td>
<td>Close contact, Frequent visits, Market follow-up, Operational integration, Service integration, ERP integration</td>
<td>53</td>
</tr>
<tr>
<td><strong>Gold</strong></td>
<td>1,500 – 3,000</td>
<td>1 Key Account Manager</td>
<td>Frequent visits, Market follow-up, Projection against competition, ERP integration</td>
<td>49</td>
</tr>
<tr>
<td><strong>Silver</strong></td>
<td>&lt; 1,500</td>
<td>2 Key Account Managers</td>
<td>Frequent visits</td>
<td>560</td>
</tr>
</tbody>
</table>

**Sample End Customers**

Ford, INDITEX, FIAT, Volkswagen, TOFAŞ, RENAULT, Koc, SABANCI, BASF

### Note:
(1) There were an additional 54 visits in 2017 for potential companies that are not yet customers
Successful Ro-Ro customer adoption & expansion

Ford and Renault: Prior to using U.N. Ro-Ro

- Ford was previously using overland trains from Western Istanbul to Cologne, Germany
- Renault was mostly using land routes to reach Flins, near Paris
- While benefitting from the attractive Turkey-Europe trading environment, both manufacturers were incurring significant costs and facing long delays / uncertainty in their overland shipments

Customer-Centric Differentiated Services

- A loyal customer of U.N. Ro-Ro was awarded both the Ford and Renault logistics business
- U.N. Ro-Ro worked closely with its client on an innovative solution: after U.N. Ro-Ro introduced the third rotation on its Toulon line:
  1. Load units from Renault in Bursa, which then uses IDO's feeder service\(^{(1)}\) to pass the Gulf and reach Pendik Terminal
  2. The same unit uses U.N. Ro-Ro's Toulon service. Semi trailers are picked up from Toulon port by a truck, and delivered to Flins
  3. After discharging Renault loads at Flins, the same unit drives to Cologne to pick up Ford loads
  4. The unit drives to Bettembourg to drop the semi-trailer at the train terminal, which then arrives to U.N. Ro-Ro's Trieste Terminal
  5. The unit arrives in Pendik, at which point another truck brings the unit to Ford's factory in Golcuk (also using IDO's feeder service\(^{(2)}\))

(1) IDO's feeder service
- There are three alternatives to pass the Gulf: land transportation (time-consuming), ferry services (frequent but costly) and a new bridge (fastest but extremely costly)
- U.N. Ro-Ro has an agreement with the largest ferry company, IDO, to subsidize the passage of its customers' cargos transiting in the Southern Marmara Region
DFDS compares favorably to competitors

<table>
<thead>
<tr>
<th></th>
<th>DFDS</th>
<th>Alternative Transport</th>
<th>Ulusoy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Vessels</td>
<td>12</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Average Age of Fleet</td>
<td>10.8</td>
<td>N/A(1)</td>
<td>17.3</td>
</tr>
<tr>
<td>Weekly Sailings</td>
<td>29(2)</td>
<td>13</td>
<td>6</td>
</tr>
<tr>
<td>Total LM Capacity</td>
<td>45,356 / 47,096(3)</td>
<td>21,772</td>
<td>13,708</td>
</tr>
<tr>
<td>Average LM</td>
<td>3,780 / 3,925(3)</td>
<td>3,629</td>
<td>3,427</td>
</tr>
<tr>
<td>Competition with Own Customers</td>
<td>Fully neutral</td>
<td>Fully insourced, therefore viewed as Ekol Logistics</td>
<td>Mostly neutral</td>
</tr>
<tr>
<td>Customer Concentration</td>
<td>Diversified customer volume over multiple routes</td>
<td>Majority of cargo from Ekol Logistics and its subcontractors</td>
<td>Limited and regional customer base</td>
</tr>
<tr>
<td>Historical Customer Relationship</td>
<td>Majority of long-standing customers also founders and previous shareholders</td>
<td>Business model built on one solid logistics contract</td>
<td>Limited regional customer base with long term relationships</td>
</tr>
<tr>
<td>Intermodal Connections</td>
<td>Neutral operator working with multiple rail operators</td>
<td>Competing with rail operators through Ekol Logistics</td>
<td>No intermodal presence; co-operates with U.N. Ro-Ro</td>
</tr>
<tr>
<td>Announced Plans for 1 January 2020 IMO Decision</td>
<td>Announced scrubber installations</td>
<td>No scrubber installation announcements</td>
<td>No scrubber installation announcements</td>
</tr>
</tbody>
</table>

Source: Ship broker estimates from BRS GROUP, as of YE 2017; Weekly sailings figures from Alternative’s and Ulusoy’s websites and other publicly available information.

Note: (1) Ekol is not a owner part of its fleet is on a charter basis (2) Includes 2 export-only trips on the Pendik - Bari route (3) Pending lengthening of 2 vessels in 2018.
## Key financials – revenue and earnings 2014-2017

### Strong Revenue Development

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (€ MM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>199</td>
</tr>
<tr>
<td>2015</td>
<td>193</td>
</tr>
<tr>
<td>2016</td>
<td>185</td>
</tr>
<tr>
<td>2017</td>
<td>225</td>
</tr>
</tbody>
</table>

### High & Solid EBITDA Margin

<table>
<thead>
<tr>
<th>Year</th>
<th>Adjusted EBITDA (€ MM), Adjusted EBITDA Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>71 (55%), 36%</td>
</tr>
<tr>
<td>2015</td>
<td>83 (57%), 43%</td>
</tr>
<tr>
<td>2016</td>
<td>80 (54%), 43%</td>
</tr>
<tr>
<td>2017</td>
<td>93 (54%), 41%</td>
</tr>
</tbody>
</table>

Note: (1) Adjusted EBITDA excludes one-off and non-recurring charter costs in 2016 and 2017 (€0.9m and €2.4m respectively). (2) Based on Total Revenue. (3) Based on Total Revenue less Bunker Cost.

### Continuous Growth in EBIT figures

<table>
<thead>
<tr>
<th>Year</th>
<th>Adjusted EBIT &amp; Depreciation &amp; Amortization Levels (€ MM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>41.7</td>
</tr>
<tr>
<td>2015</td>
<td>38.2</td>
</tr>
<tr>
<td>2016</td>
<td>34.2</td>
</tr>
<tr>
<td>2017</td>
<td>27.7</td>
</tr>
</tbody>
</table>

### NOPAT is very close to EBIT with favourable tax exposure

<table>
<thead>
<tr>
<th>Year</th>
<th>NOPAT (€ MM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>29.4</td>
</tr>
<tr>
<td>2015</td>
<td>44.6</td>
</tr>
<tr>
<td>2016</td>
<td>45.5</td>
</tr>
<tr>
<td>2017</td>
<td>65.3</td>
</tr>
</tbody>
</table>

Note: (2) Adjusted EBIT figures are calculated as (Adjusted EBITDA – D&A).

**Depreciation & Amortisation**

**NOPAT as % of Adjusted EBIT**

**IGHT Margin excluding impact on bunker costs in P&L**
Key financials – cash flow 2014-2017

**High Cash Generation Capacity**
Adjusted EBITDA$^{(1)}$ – Maintenance Capex (€ MM), Cash Conversion (%)

- 2014: 64 (89%)  
  - Adjusted EBITDA
  - Maintenance Capex
- 2015: 71 (85%)  
- 2016: 67 (83%)  
- 2017: 81 (87%)

**Low Maintenance Capex Levels**

- 2014: 8 (4%)  
- 2015: 12 (6%)  
- 2016: 16 (7%)  
- 2017: 27 (5%)

**High FCF Generation**

- 2014: 7.0  
- 2015: 33.0  
- 2016: 19.0  
- 2017: 31.0

**Negative Working Capital$^{(3)}$**

- 2014: (4)  
- 2015: (6)  
- 2016: (13)  
- 2017: (10)

Note: (1) Adjusted EBITDA excludes one-off and non-recurring charter costs in 2016 and 2017 (€0.9m and €2.4m respectively). (2) Based on Total Revenue. (3) Based on Total Revenue less Bunker Cost. (4) Includes €20m of lengthening capex and €7m of investments in Trieste terminal. (2) Includes €20 MM of lengthening capex and €7 MM of investments in Trieste terminal. (3) Net working capital is calculated as (Trade receivables + Inventories + Other receivables and current assets excluding income accrual from disposal of land and due from related parties) – (Trade payables + Current tax liabilities + Other payables and expense accruals excluding Banking and Insurance Transaction Tax expense accrual + Provision for employee benefits).
Turkey - inflation and exchange rate development of TRY

- TRY-depreciation is linked to high inflation rates in Turkey:
  - 2016: 8%
  - 2017: 11%
  - 2018 ytd: >20%

- Turkey’s real GDP was up 7% in Q1

- OECD: real GDP growth forecast of 0.5% for 2019
Turkey – impact of TRY depreciation on finance items

- Financial performance impacted by ‘one-off’ currency loss on debtors recorded in Finance items
- Mediterranean’s prices are set in EUR to protect revenue development
- Invoicing in TRY implies, however, currency risk in 60 day payment period for debtors
- TRY exposure on debtors of around DKK 300m
- ‘One-off’ currency loss in Finance items of around DKK 70m incurred in Q3 by 24% TRY depreciation
MARKET OVERVIEW
EU is important and balanced trade partner with Turkey

Turkey’s top trade partners (2017)

Source: Macro Advisory Partners 2018
## Attractive market profile

### Target Market real GDP growth

#### Macroeconomic Overview

<table>
<thead>
<tr>
<th></th>
<th>Turkey</th>
<th>Target Europe(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic output (2016):</td>
<td>$863 billion</td>
<td>$15,742 billion</td>
</tr>
<tr>
<td>Population (2016):</td>
<td>80 million</td>
<td>468 million</td>
</tr>
<tr>
<td>Imports (2016) (merchandise goods):</td>
<td>$199 billion</td>
<td>$5,139 billion</td>
</tr>
<tr>
<td>Exports (2016) (merchandise goods):</td>
<td>$143 billion</td>
<td>$5,033 billion</td>
</tr>
<tr>
<td>Value of Turkish Exports with Target Market (2017)</td>
<td>$59 billion</td>
<td></td>
</tr>
<tr>
<td>Value of Imports from Target Market to Turkey (2017)</td>
<td>$72 billion</td>
<td></td>
</tr>
</tbody>
</table>

#### Target Market (1) Macro Outlook

<table>
<thead>
<tr>
<th>GDP Growth % N5Y CAGR</th>
<th>Turkey</th>
<th>Target Europe(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>13%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Benelux</td>
<td>5%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Germany</td>
<td>23%</td>
<td>1.7%</td>
</tr>
<tr>
<td>France</td>
<td>18%</td>
<td>1.7%</td>
</tr>
<tr>
<td>UK</td>
<td>8%</td>
<td>1.6%</td>
</tr>
<tr>
<td>Italy</td>
<td>26%</td>
<td>1.0%</td>
</tr>
</tbody>
</table>

Note: (1) Includes Italy, France, Germany, Austria, Switzerland, Slovenia, Spain, Portugal, Luxembourg, Belgium, the Netherlands, Denmark, UK, and Ireland. (2) Export volume in other countries (Ireland, Portugal, Switzerland, Austria, Slovenia, and Denmark) of 6%.

Source: Drewry Shipping Consultants LTD, Economist Intelligence Unit (EIU) via S&P Global Market Intelligence
Attractive and resilient market fundamentals

**Attractive Macro Outlook Fuelling Cargo Growth**

GDP Growth % N5Y CAGR (1)
Real GDP (PPP US$ at 2005 prices)

- 2.0%
- 1.9%
- 1.7%
- 1.7%
- 1.6%
- 1.0%

% U.N. Ro-Ro 2017 Volumes (2)

- 13%
- 5%
- 23%
- 18%
- 8%
- 26%

Source: The Economist Intelligence Unit (EIU) via S&P Global Market Intelligence, Company Information

**Structural Shift Towards Ro-Ro vs. Land**

Total Truck Volumes Market Share
Export units (‘000)

- **Ro-Ro**
  - 2013: 128, 49%
  - 2017: 168, 55%

- **Land**
  - 2013: 135, 51%
  - 2017: 140, 45%

× Ro-Ro is capturing incremental market growth thanks to:
  - Low capital expense requirements compared to land, as fewer trucks can carry more trailers
  - Reduced operational expenses, due to cost competitive pricing and lower driving time, fuel cost and driver cost savings
  - Number of road permits that can be issued is limited

Source: Company information, Drewry Shipping Consultants LTD for forward looking market data

**Resilient Turkey – Target Europe(3) Trade**

**Truck Market Volumes (4)**
Export units (‘000)

- 2013: 263
- 2014: 269
- 2015: 283
- 2016: 298
- 2017: 308

CAGR: +4.0%

% U.N. Ro-Ro 2017 Volumes

- 8%
- 23%
- 13%

Source: Drewry Shipping Consultants LTD

**High Growth in Ro-Ro Volumes**

Ro-Ro Market Volumes
Export units (‘000)

- 2013: 128
- 2014: 137
- 2015: 151
- 2016: 158
- 2017: 168

CAGR: +7.0%

Source: Drewry Shipping Consultants LTD

Note: (1) Refers to 2017-2022E CAGR. (2) Export volumes in other countries (Ireland, Portugal, Switzerland, Austria, Slovenia, and Denmark) of 6%. (3) Target European destinations are: Germany, Italy, UK, Ireland, Belgium, Netherlands, Luxembourg, France, Spain, Portugal, Switzerland, Austria, Slovenia, Denmark. (4) Includes Ro-Ro and land transportation.
### Mediterranean’s geographical reach

#### Mediterranean’s Target and Secondary Markets

<table>
<thead>
<tr>
<th>Target Market</th>
<th>Secondary Market</th>
<th>Port of Trieste Operated by U.N. Ro-Ro</th>
<th>Other Ports in U.N. Ro-Ro Network</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Port of Trieste Operated by U.N. Ro-Ro</td>
<td>Other Ports in U.N. Ro-Ro Network</td>
</tr>
<tr>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td></td>
<td>Port of Trieste Operated by U.N. Ro-Ro</td>
<td>Other Ports in U.N. Ro-Ro Network</td>
</tr>
</tbody>
</table>

Note: (1) Long term concession with freeport status. U.N. Ro-Ro owns 60% of Port of Trieste's operator (Samer Seaports Company). (2) c. 74k sqm owned and c. 26k sqm leased from the state.
Strong growth in trade with European target markets

**Value of Turkish Trade with Target Market**

- Turkish imports have grown at a CAGR of 5.2% from 12.3 million tonnes in 2000 to 29.2 million tonnes in 2017.
- Exports have grown at a CAGR of 3.9% from 13.1 million tonnes in 2000 to 25.0 million tonnes in 2017.

**Key Points**

- **Turkish imports** have grown at a CAGR of 5.2% from 12.3 million tonnes in 2000 to 29.2 million tonnes in 2017.
- **Exports** have grown at a CAGR of 3.9% from 13.1 million tonnes in 2000 to 25.0 million tonnes in 2017.

**Net Weight\(^1\) of Turkish Trade with Target Market**

- **Imports**: +6.5% from 12.3 million tonnes in 2000 to 29.2 million tonnes in 2017.
- **Exports**: +8.8% from 13.1 million tonnes in 2000 to 25.0 million tonnes in 2017.

**Historical Growth Breakdown**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Imports (Value)</strong></td>
<td>+12.7%</td>
<td>+3.0%</td>
</tr>
<tr>
<td><strong>Exports (Value)</strong></td>
<td>+17.7%</td>
<td>+4.2%</td>
</tr>
<tr>
<td><strong>Imports (Tonnes)</strong></td>
<td>+5.1%</td>
<td>+4.4%</td>
</tr>
<tr>
<td><strong>Exports (Tonnes)</strong></td>
<td>+4.8%</td>
<td>+6.2%</td>
</tr>
</tbody>
</table>

**Note:** (1) Weight of the cargo, excluding the weight of the container/package in which it is carried.
Also strong growth in trade with secondary target markets

**Value of Turkish Trade with Secondary Market**

- **Imports**: 3.2 million tonnes in 2000, 12.7 million tonnes in 2017
- **Exports**: 1.1 million tonnes in 2000, 8.4 million tonnes in 2017

**Net Weight\(^{(1)}\) of Turkish Trade with Secondary Market**

- **Imports**: 2.8 million tonnes in 2000, 10.2 million tonnes in 2017
- **Exports**: 1.5 million tonnes in 2000, 3.6 million tonnes in 2017

**Key Points**

- Turkish imports have grown at a CAGR of +8.0% from 2.8 million tonnes in 2000 to 10.2 million tonnes in 2017
- Exports have grown at a CAGR of +5.2% from 1.5 million tonnes in 2000 to 3.6 million tonnes in 2017

**Historical Growth Breakdown**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Imports (Value)</td>
<td>+13.8%</td>
<td>+3.0%</td>
</tr>
<tr>
<td>Exports (Value)</td>
<td>+25.6%</td>
<td>+5.6%</td>
</tr>
<tr>
<td>Imports (Tonnes)</td>
<td>+6.4%</td>
<td>+5.0%</td>
</tr>
<tr>
<td>Exports (Tonnes)</td>
<td>+12.4%</td>
<td>+4.1%</td>
</tr>
</tbody>
</table>

Note: (1) Weight of the cargo, excluding the weight of the container/package in which it is carried
Import ro-ro volumes exceed export volumes

Similar to 2002 banking crisis, in the case that imports are negatively impacted, the current volume of imports still outweigh exports, so in case there is continued export growth, trucked volumes and ro-ro operators could capture growth.

Source: Drewry Shipping Consultants LTD
Turkish trade volumes resilient in face of TRY depreciation

Turkey trading, indexed import/export ro-ro volumes, and exchange rate TRY/EUR

**Crisis 1**
Banking led crisis starting in Nov 2000
- 5.7% drop in GDP in 2001
- EUR/TRY depreciated 91% in 2001

**Crisis 2**
Global financial crisis
- EUR/TRY depreciated 7% in 2008 and 13% in 2009

**Crisis 3**
Political unrest 2013-14
- EUR/TRY depreciated 9% in 2013 and 15% in 2014

**Crisis 4**
Depreciation sparked by conflict with USA

0.58 1.00 1.43 1.69 1.77 1.67 1.80 1.78 1.90 1.99 2.16 2.33 2.31 2.53 3.02 3.34 4.12 265 517

1.00 1.50 2.00 2.50 3.00 3.50 4.00 4.50 5.00 5.50 6.00

0 50 100 150 200 250 300


EUR/TRY  Exports (in tonnes rebased to 100)  Imports (in tonnes rebased to 100)
Cargo split in DFDS’ Turkey-Europe routes

- High share of **industrial cargo**
- **Auto industry** supply chain volumes above 20%
- **Textile industry** located in southern Turkey has 15% share of exports
- Food and other consumer goods a smaller part of volumes
- Almost no **empty trailers** shipped in H1 2018

**Turkey-Europe cargo split, Jan-May 2018**

- Parts
- Auto industry
- Textiles
- Materials
- Machines
- Food
- Furniture, construction materials
- Empty

**Exports** vs **Imports**

Materials: Industrial, chemical, plastic, metal, glass, paper
TRY depreciation decreases imports & boosts export volumes

Currency depreciation is impacting import volumes – once TRY is stabilized imports are expected to resume at a lower level.

Export volume growth expected to mitigate impact from imbalance/reduced import volumes.

Also mitigation from significant import of semi-manufactured goods used for manufacturing of finished goods in Turkey and then re-exported.

DFDS Mediterranean is impacted in a similar way to the truck market in general.

Due to depreciation of the TRY we are seeing low import growth rates, and increased exports.

Drewry estimates 2018 for cargo exports 10% growth, imports -2.5%.
INTEGRATION
Integration organised in 18 workstreams

Integration Management Office ++ (IMO)

- Organizational Setup
- Sales & Customers
- Business Development
- Branding Strategy
- Logistics Strategy

Platform workstreams

- IT Strategy
- Digital Strategy
- Port Agencies & Terminals
- Technical & Marine Standards
- Investment planning & Funding
- Intermodal

Support workstreams

- Finance & Tax
- Business Partnering
- Legal
- Insurance
- Procurement
- HR, crewing, training, cultural awareness & Integration
- Funding, valuation, BP model
- Legal closing

SteerCo

Integration officers (overall responsible for the integration)

Communication

Confidential
Transition phase followed by four integration steps

<table>
<thead>
<tr>
<th>Integration</th>
<th>Long-term</th>
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<tbody>
<tr>
<td>Closing/(Day-1)</td>
<td>January 1, 2019 -</td>
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<td>First 100 days</td>
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<td>Integration execution</td>
<td>Consolidation/growth</td>
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**Day-1**
- Customer roadshow
- Meetings with authorities
- Internal/external communication
- Redirect homepage
- Update emailaddresses
- Give access to The Bridge

**First 100 Days**
- Begin execution of First 100-Days plan
- Introduce communication and command protocols
- Target “quick wins” and “low-hanging fruit” synergies
- Begin internal customer/pricing discussions
- Prioritize customer retention
- Target new growth in current/adjacent geographies
  - Organic growth
  - Acquisitions

**Integration execution**
- Short-term costs synergies and revenue enhancing synergies
- Implement new organization
- Execute specific work stream integration plans
- Target near-term synergies for maximum impact
- Evaluate customer pricing and approach
- Track synergy realization
- Begin long-term integration planning

**Consolidation/growth**
- Long-term cost synergies and revenue enhancing synergies
- Drive efficiencies through optimization of routes, tonnage, and terminals
- Leverage customer base to increase solutions & cross selling
- Exploit/realize growth opportunities in current/adjacent geographies

* Activity examples
# Integration progressing and set for completion at year-end

## Timeline - updated

### Integration – First 100 days*

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### Final 'Synergy targets'

**Hand in updated material**

**Final 'Beyond 100-Day'**

**Revisit IMO structure**

**Tracking of 'synergy realisation'**

---

**Integration process ends 31/12. Only tasks related to synergies continues in 2019**

---

**Note:** *Day 100 - 18th September 2018, **Beyond Day 100 from 19th Sep - 31st Dec*
All workstreams on track to complete ‘Day 100’ plans

Overall great effort has been put in finishing the ‘day 100’ plans.

Completed tasks: 
- WS 1 Sales: 80% completed
- WS 2 Bus. Dev.: 50% completed
- WS 3 Branding: 30% completed
- WS 4 Logistics: 14% completed
- WS 5 IT: 100% completed
- WS 6 Digital: 100% completed
- WS 7 Port & terminals: 100% completed
- WS 8 Tech & Marine: 100% completed
- WS 9 Invest & Funding: 82% completed
- WS 10 Intermodal: 100% completed
- WS 11 Finance & tax: 100% completed
- WS 12 Bus Partner: 40% completed
- WS 13 Legal: 60% completed
- WS 14 Insurance: 100% completed
- WS 15 Procure: 100% completed
- WS 16 HR & Crew: 18% completed
- WS 17 Treasury: 82% completed
- Total: 100% completed

Outstanding tasks: 
- WS 1 Sales: 20% outstanding
- WS 2 Bus. Dev.: 50% outstanding
- WS 3 Branding: 100% outstanding
- WS 4 Logistics: 100% outstanding
- WS 5 IT: 100% outstanding
- WS 6 Digital: 100% outstanding
- WS 7 Port & terminals: 100% outstanding
- WS 8 Tech & Marine: 100% outstanding
- WS 9 Invest & Funding: 18% outstanding
- WS 10 Intermodal: 60% outstanding
- WS 11 Finance & tax: 100% outstanding
- WS 12 Bus Partner: 82% outstanding
- WS 13 Legal: 60% outstanding
- WS 14 Insurance: 100% outstanding
- WS 15 Procure: 100% outstanding
- WS 16 HR & Crew: 18% outstanding
- WS 17 Treasury: 82% outstanding
- Total: 11% outstanding

*Significant progress to complete the tasks, as not finalized they are listed as in progress.

Day 89 of 100

Issues, but recoverable: Treasury to finish outstanding tasks in Turkey next week.

Issues, not recoverable: None.
Final stage of signing off synergies, next step tracking impact

Completed

Completed

Today

Q4 2018 -->

Synergy tracking

- Complete initiatives
- Continuous progress update
- Synergy capture reporting to Steer Co

Synergy aspiration

- Draft key levers & rationale
- Estimate EBITDA impact

Target development

- Draft targets and timeline
- IMO support w/ synergies

Final synergy targets

- Agree initiative targets
- Define initiative baseline
- Appoint initiative owners
- Assess investment needs
- Outline impact profile

Completed

Completed

Today

Synergy aspiration

- Draft key levers & rationale
- Estimate EBITDA impact

Target development

- Draft targets and timeline
- IMO support w/ synergies

Final synergy targets

- Agree initiative targets
- Define initiative baseline
- Appoint initiative owners
- Assess investment needs
- Outline impact profile

Completed

Completed

Today

Q4 2018 -->
GOING FORWARD
Investments planned to drive Mediterranean’s growth

- 2 vessel lengthenings in 2018 to increase capacity
- Scrubber investments to comply with 2020 IMO legislation
- Expansion of current terminals to accommodate growing volumes
- Fleet renewal to increase efficiency and capacity
## Geographic network expansion with synergies

| **Sales growth** | ▪ Land conversion and organic market growth  
▪ Additional capacity driving additional volumes and lower unit costs |
| **Customer and sales** | ▪ Intermodal solutions offering synergy opportunities to existing DFDS network  
▪ Wider network and range of services to existing customers  
▪ Strong base for business development in adjacent markets |
| **Enhanced fleet flexibility** | ▪ Flexibility of vessel deployment on both new and existing routes  
▪ New DFDS vessel design optimal for U.N. Ro-Ro capacity expansion |
| **Operational synergies** | ▪ Integration of Mediterranean activities  
▪ Integration into DFDS core operating systems  
▪ Sales agency and back-office system integration |
How will we navigate, what actions can be taken...

**Short Term Customer Related Actions**
- Empty trailer/container rate and promotional campaign valid until 31 August, extended due to continued volatility until end of September
- Ticket exchange possibilities to customers who have import tickets outstanding to use for exports
- Increase the European customers percentage in the total customer mix

**Long Term Customer Related Actions**
- Taking the initiative to minimize exchange rate volatility with all parties within the sector (with customers and associations) through switching to EUR collections instead of Turkish Lira (expected to be discussed in 4Q18 and implemented throughout 2019)
- Container business growing on all our routes (more suited for one-way laden, one-way empty - as empty re-positioning of container is cheaper)

**Geographical Expansion Actions**
- Increase Greece-Europe volumes in the total revenue mix (not affected by Turkey macro situation)
- Pursue cross-sell opportunities in traditional DFDS geographies such as UK, Baltics and Scandinavia (as they are mainly exports and import back-loads through DFDS: recent example we started this week with Mars Logistics for Sweden exports and possible DFDS Volvo loads back to the continent)
- In the process to add Bari way-call to Mersin-Trieste exports
BREXIT
Some slowdown in UK-EU trade growth in 2018

- **Euro area growth** continues to mitigate uncertainty related to Brexit

- Lift in UK export growth to EU post Brexit vote leveling off but still above pre-Brexit level

- **Volume growth divergence** between North Sea and Channel is continuing in 2018 due in part to shortage of drivers
<table>
<thead>
<tr>
<th>DFDS is planning for two scenarios</th>
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**Hard Brexit**  
March 29, 2019

- UK departs the EU at 11pm UK time
- UK gives up full access to the single market and full access of the custom union with the EU
- Likely fall back on World Trade Organisation (WTO) rules for trade with its former EU partners

**Transition period Brexit**  
December 31, 2020

- Transition period to allow UK to get most in place and allow businesses and others to prepare for the new post-Brexit rules between the UK and the EU (31 Dec, 2020)
- Free movement will continue during the transition

"UK could stay in EU customs union for years after Brexit transition"  
- [https://www.politico.eu](https://www.politico.eu) quoting senior U.K. and EU officials
Brexit – challenge and opportunity

- **Key risk** is development of UK GDP growth that is driver of trading volumes
- UK **supply chains** closely integrated with Continental Europe
- Import customers are considering to **increase stocks** in UK ahead of March 2019 in case of hard Brexit, vice versa for UK exporters
- **Less impact** expected on un-accompanied trailers vs accompanied trailers
- **Upside** from new services – export declarations, customs clearance, warehousing/storage/standage and duty-free

### Possible hard Brexit impacts
- Time-consuming customs process
- Congestion in ports
- Reduction in trade volumes
- Increase in unaccompanied trailer volumes

### DFDS actions
- Brexit steering group established
- Cost recovery, pass-through agreements
- Register as Authorised Economic Operator
- Increasing staff with customs clearance expertise
- Offer customs clearance services
- Upgrading IT customs systems
- Expanding port terminals in Vlaardingen, Felixstowe and Immingham to offer warehousing/storage/standage
- Dover/Calais options under review
- Offer duty-free sales
U.N.RO-RO’s journey from a Ro-Ro Shipping line to a Leading Intermodal Operator

1994
48 Turkish international land transport companies formed UND Ro-Ro to solve the logistics issue during the Balkan War

1995
UND Ro-Ro started operations with two chartered vessels from Haydarpaşa, Istanbul

1998
Ro-La train, which operates between Villach – Salzburg and which can be used by complete units commences operations

2001
UND Ege joins the fleet

2002
UND Altımlı and UND Birtik joins the fleet

2005
Saffet Ulusoy, UN Pendik and UN Marmara vessels join the fleet

2006
UN Trieste joins the fleet

2008
UN Akdeniz, UN Karadeniz join the fleet

2009
Mersin – Trieste line opening

2010
Istanbul – France line opening

2011
Cüneyt Solakoğlu joins the fleet

2013
Tax free diesel service commences in Mersin Port for trucks carrying Turkish export goods

2015
UN Istanbul joins the fleet

2016
Opening of line to South of Italy (first to Ancona then switched to Bari)

2017
UN Istanbul joins the fleet

2018
UN Trieste joins the fleet

Source: Company information