



DFDS EXPANDS LOGISTICS NETWORK TO TÜRKIYE

- DFDS acquires international transport network connecting Türkiye and Europe from Ekol Logistics
- Network had revenue of DKK 3.5bn and 3,700 employees in 2023
- Acquisition replicates DFDS' ferry/road business model to the Mediterranean and connects Türkiye to the existing DFDS network
- Transaction enterprise value of DKK 1.9bn equals a 7.6x EV/EBITDA and 0.55x EV/Sales for 2023
- Transaction conditional upon EU merger control approval
- Investor/analyst conference call Tuesday 9 April 2024 at 4.00pm CET, see registration details below.

DFDS has today entered into an agreement to acquire the international transport network of Ekol Logistics (the "Company"). Ekol Logistics is a leading Turkish transport and logistics company headquartered in Istanbul.

The Company transports goods between Türkiye and Europe with own offices and facilities in 10 European countries. More than half of transports provided are intermodal using combinations of road, ferry, and rail making the Company the largest customer of DFDS' Mediterranean ferry route network.

"This acquisition is an excellent strategic match for DFDS. Transporting large trailer volumes reliably and efficiently using combinations of road, ferry, and rail is our core business. Moreover, we believe Türkiye's role as a manufacturing hub for Europe will become even stronger in the future as nearshoring drives supply chains closer to end markets", says Torben Carlsen, CEO of DFDS.

"I'm delighted that Ekol Logistics' international transport network and all its skilled and dedicated employees have found a new home with our longstanding partner DFDS. This combination has the potential to make the transport infrastructure between Türkiye and Europe more efficient and help raise Türkiye's attractiveness as a manufacturing hub further", says Ahmet Musul, founder and Chair of the Board of Directors of Ekol Logistics.

The Türkiye-Europe transport market is on average expected to grow by around 14% annually until 2028 (CAGR for 2020-2023 was 15%) and the acquisition thereby expands DFDS' network to a high-growth region supported by nearshoring of supply chains closer to Europe.

Strategic fit and business model

The acquisition is fully aligned with DFDS' transport network strategy focused on moving goods in trailers by ferry, road, and rail, and on offering complementary logistics solutions.

The addition of the Company adds road transport to DFDS' Mediterranean ferry network thereby extending the proven northern European ferry/road business model to this region. DFDS' logistics network is in addition expanded across Europe and the existing transport network is connected to Türkiye thereby enabling DFDS to offer

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Page 1/ 3

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Investor conference call

An investor and analyst conference call will be held on 9 April 2024 at 4.00pm CET.

Please register for the call via this [link](#). Live streaming is available from this [link](#).

About DFDS

We operate a transport network bridging Europe with an annual revenue of DKK 27bn and 13,200 full-time employees.

We move goods in trailers by ferry, road & rail and we offer complementary and related transport and logistics solutions.

We also move car and foot passengers on short sea and overnight ferry routes.

DFDS was founded in 1866 and is headquartered and listed in Copenhagen.

Disclaimer

The statements about the future in this announcement contain an element of risk and uncertainty which means that actual developments may diverge significantly.

end-to-end transport and logistics solutions between Türkiye and Europe directly to end customers.

Announcement no. 24/2024

Page 2/ 3

The Company's transport network builds on a partnership since 2019 with DFDS through a long-term customer agreement providing stable access to ferry capacity in the Mediterranean route network. The agreement also extends access to third-party rail transport from arrival ports to select European destinations. Road-only transport and additional third-party rail transport solutions are offered for destinations outside the ferry network's catchment areas and for transports requiring faster delivery times.

Business and integration plan to improve financial performance

Due to challenging market conditions, including loss of market share, the Company's EBIT-margin declined from 4.8% in 2022 to 2.5% in 2023.

The business and integration plan's financial objective is to improve the EBIT-margin to around 5% by 2027 through a three-phased plan:

Phase 1 (year 1): Commercial and operational focus to increase volume throughput and improve equipment utilisation by initiating sale of transports to/from Türkiye by DFDS' existing northern European network. Grow volumes to Türkiye from acquired European offices. Insource agency services to own existing network.

Phase 2 (year 1-2): Integrate existing and acquired European networks to gain scale benefits, including improved utilisation of equipment/facilities and consolidation of offices/facilities. Move select volumes to ferry/rail from road. Integrate customs organisations.

Phase 3 (year 2-3): Network optimisation and sales to key customers of contract logistics products to complement transport solutions (FTL/LTL).

In parallel with the integration of operations, it-systems will be integrated over expectedly three years. The two major integrations are replacement of transport management systems and ERP systems with systems used by DFDS.

The Company will become part of the Logistics Division. A detailed business and integration plan, including expected synergies, will be disclosed in connection with the closing of the transaction.

Transaction structure and financing

DFDS acquires the Company for a debt-free price of DKK 1.9bn (EUR 260m) equal to an EV/EBITDA multiple of 7.6x based on 2023 earnings and an EV/Sales multiple of 0.55x based on 2023 sales.

The transaction will be financed by a combination of loan financing and use of existing cash funds.

About the Company's international transport network

The Company transports goods for manufacturers between Türkiye and Europe using primarily trailers to minimise trip days as most goods carried are time sensitive.

The network is set up for both intermodal and road-only transports using mostly inhouse haulage and ferry/rail transport provided by third-party ferry and rail operators. Around 80% of all transports combine transport modes. DFDS is the key provider of ferry transport between Türkiye and Europe for the Company.

Customers are mainly European and global manufacturers with production or assembly plants in Türkiye and Europe as well as Turkish export companies. Primary sectors served are automotive, industrial parts, and textiles/garments.

The network offers customers both full-load (FTL) and part-load (LTL) transports with a split of around 60/40 as well as complementary services, e.g. customs. The top three transport flow corridors are Türkiye-Germany followed by Spain and France.

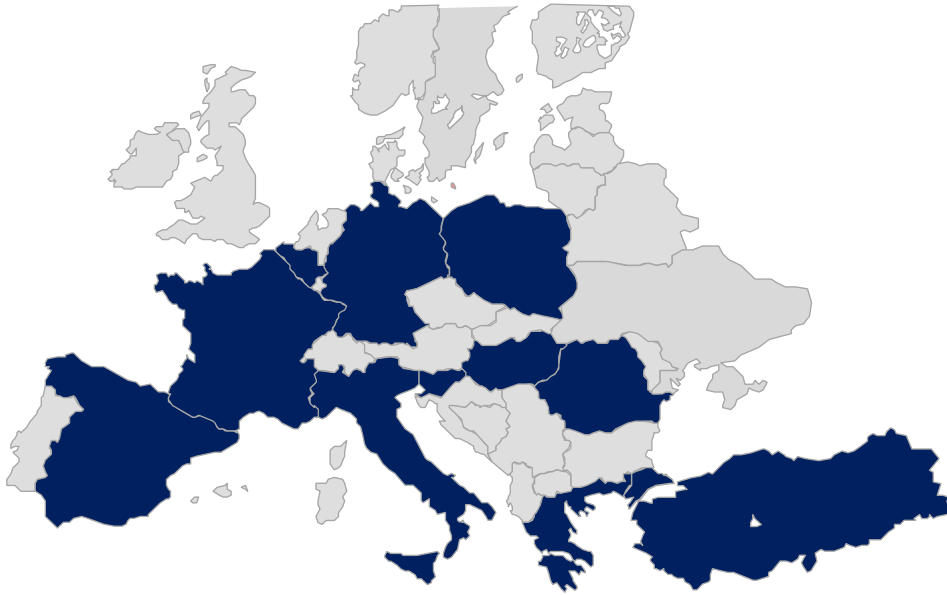
Own offices and facilities are operated in 10 European countries to service customers and haulage operations.

Announcement no. 24/2024

Page 3/ 3

The Company's revenue was DKK 3.5bn in 2023 and had 3,700 employees. More than 6,000 equipment units are operated and owned outright. Equipment includes 1,300 trucks, 3,900 trailers/swap bodies, and 600 containers. There are 26 facilities in Europe with a total area of 120,000 sqm. Around 75% are cross-docking terminals for the LTL operations and the remainder are warehousing with storage capacity.

Road and sea freight comprise more than 90% of the total Türkiye-Europe transport market which is on average expected to grow by around 14% annually until 2028 (CAGR for 2020-2023 was 15%). The main competitors are Turkish transport and logistics companies as well as to some extent container shipping operators.



The company has offices and facilities in 10 European countries besides Türkiye.

Regulatory approvals

Completion of the transaction is conditional upon EU merger control approval and usual contractual conditions. As announced on 28 July 2023, the transaction has been approved by the Turkish Competition Authority. Closing is expected around the beginning of Q4 2024.

Investor conference call

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