

Consolidated Interim Report Q3 2022 – NTG Nordic Transport Group A/S



Q3 2022 highlights

- Strong results across both divisions in Q3 2022.
- Total growth in net revenue of 50.9%, hereof organic growth of 17.1%.
- Operating margin of 7.4% in Q3 2022 vs. 7.6% in Q3 2021.
- 2022 guidance announced on 6 May 2022 maintained: Net revenue of DKK 9,700 - 10,200 million and adj. EBIT of DKK 700 - 750 million.

Selected financial information

For the periods 1 July to 30 September (Q3) and 1 January 2022 to 30 September 2022 (YTD)

(DKKm)	Q3 2022	Q3 2021	Change	YTD 2022	YTD 2021	Change
Net revenue	2,821.3	1,869.5	951.8	7,728.0	5,130.2	2,597.8
Gross profit	533.4	368.7	164.7	1,494.3	1,030.8	463.5
Adj. EBIT	209.3	142.6	66.7	585.6	381.5	204.1
Profit for the period	159.5	109.8	49.7	428.1	279.3	148.8
Gross Margin	18.9%	19.7%	-0.8 p.p.	19.3%	20.1%	-0.8 p.p.
Operating margin	7.4%	7.6%	-0.2 p.p.	7.6%	7.4%	0.2 p.p.
Conversion ratio	39.2%	38.7%	0.5 p.p.	39.2%	37.0%	2.2 p.p.

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Forward looking statement

This document contains forward looking statements which are subject to risk factors associated with, amongst others, the economic and business circumstances occurring from time to time in the countries and markets in which NTG Nordic Transport Group and its subsidiaries operate.

It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a wide range of variables, which could cause actual results to differ materially from those currently anticipated. For a description of significant risks and uncertainties identified by the Group, reference is made to the 2021 Annual Report. Any subsequent developments are reflected in this report.

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Financial Highlights

Income statement (DKKm)	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Net revenue	2,821.3	1,869.5	7,728.0	5,130.2
Gross profit	533.4	368.7	1,494.3	1,030.8
Operating profit before amortisation, depreciation, and special items (adj. EBITDA)	266.1	187.3	749.1	484.0
Operating profit before special items (adj. EBIT)	209.3	142.6	585.6	381.5
Special items, net	-0.5	0.0	-13.6	-4.2
Net financial items	0.4	-11.9	-15.1	-36.9
Profit for the period	159.5	109.8	428.1	279.3
Earnings per share (DKK) for the period	6.56	4.47	17.53	11.30
Earnings per share (DKK) last 12 months	21.86	13.29	21.86	13.29

Cash flow statement (DKKm)	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Operating activities	271.1	119.3	601.8	298.7
Investing activities	-0.4	-63.2	-499.8	-161.6
Free cash flow	270.7	56.1	102.0	137.1
Adjusted free cash flow	223.1	75.8	449.3	176.8
Financing activities	-96.6	-181.9	-108.3	-293.9
Cash flow for the period	174.2	-125.8	-6.2	-156.8

Balance sheet (DKKm)	30/09-2022	30/09-2021
Additions to property, plant, and equipment (excl. IFRS 16)	8.0	4.7
Balance sheet total	4,634.7	3,285.7
Net working capital	-21.9	-138.9
Net interest-bearing debt	1,155.7	798.1
Net interest-bearing debt, excluding IFRS 16	367.3	40.6
Invested capital	2,081.7	1,376.2
Total equity	1,079.7	621.2
NTG A/S' shareholders' share of equity	993.3	552.8
Non-controlling interests	86.4	68.4

Financial ratios	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Gross margin	18.9%	19.7%	19.3%	20.1%
Operating margin	7.4%	7.6%	7.6%	7.4%
Conversion ratio	39.2%	38.7%	39.2%	37.0%
ROIC before tax*			43.2%	43.2%
Return on equity*			62.8%	68.3%
Solvency ratio			23.3%	18.9%
Leverage ratio*			1.20	1.31

Employees	YTD 2022	YTD 2021
Average number of employees	1,966	1,528

Reference is made to NTG's 2021 Annual Report, page 76, for definition of key figures and ratios.

* Ratio is based on last 12 months' figures

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Management Report

In the third quarter of 2022, the market dynamics gradually changed amid a weakening macroeconomic outlook, inflation eroding consumers' real wages, and supply chain congestions on the decline.

The challenging business environment affected consumers and customers across multiple industries, and transportation activity generally cooled.

Certain industries, including industrials, construction, e-commerce, and furniture saw volumes decrease in Q3 2022, while activity levels within utilities and automotives on the contrary continued to accelerate.

Despite substantial changes to the market and business environments in Q3 2022, both divisions delivered double-digit growth in net revenue and operating profit.

The combination of an uncertain macroeconomic outlook and limited visibility caused a faster-than-expected market normalisation.

The asset light and flexible cost structure promote speed of response in the event of a worsening business environment.

While reduced visibility poses a challenge, the growth strategy of NTG remains unchanged.

By factoring in the increased likelihood of an accelerated market normalisation, the pursuit of growth via M&A will continue.

Good opportunities may arise, should an adverse market scenario materialise.

Net revenue increased 50.9% to DKK 2,821 million in Q3 2022, compared to Q3 2021.

Acquired growth totalled 35.7% in Q3 2022, driven by the acquisitions of AGL and LGT Group.

Organic growth totalled 17.1% in Q3 2022, mainly driven by price increases in light of increasing input factor costs introduced in late 2021 and 2022 within the Road & Logistics division.

Currency translation effects had a negative impact on growth of 1.9% in Q3 2022. The impact was primarily driven by a depreciation of TRY, SEK, and PLN versus DKK, partially offset by the appreciation of the USD.

Gross profit increased 44.7% to DKK 533 million in Q3 2022, compared to DKK 369 million in Q3 2021, corresponding to a gross margin of 18.9% and 19.7%, respectively.

Adj. EBIT increased 46.8% to DKK 209 million in Q3 2022, compared to DKK 143 million in Q3 2021, corresponding to an operating margin of 7.4% and 7.6%, respectively.

Adj. EBIT in the Road & Logistics division increased 25.5% to DKK 134 million in Q3 2022, compared to Q3 2021.

Adj. EBIT in the Air & Ocean division increased 108.9% to DKK 75 million in Q3 2022, compared to Q3 2021.

Minorities' share of adj. EBIT was 8.0% in Q3 2022, compared to 7.2% in Q3 2021.

The increase was mainly driven by relatively stronger performance in subsidiaries owned together with minority shareholders.

Net working capital totalled negative DKK 22 million as of 30 September 2022, compared to negative DKK 139 million as of 30 September 2021.

The development was primarily driven by the acquisition of AGL, adding DKK 153 million in net working capital, while non-recourse factoring released DKK 9 million as per 30 September 2022.

Adjusted free cash flow totalled DKK 223 million in Q3 2022, compared to DKK 76 million in Q3 2021, corresponding to an increase of 194.3%.

The increase was primarily driven by the acquisition of AGL, an improved operating performance, and an improvement in net working capital compared to the previous quarter.

As of 30 September 2022, NTG had a net interest-bearing debt of DKK 367 million excluding IFRS 16 lease liabilities, compared to DKK 41 million as of 30 September 2021.

The development was mainly a result of the acquisition of AGL.

Including IFRS 16 lease liabilities, NTG had a net interest-bearing debt of DKK 1,156 million and DKK 798 million by the end of Q3 2022 and Q3 2021, respectively, corresponding to leverage ratios of 1.20 and 1.31.

Management Report, continued

The equity interest of NTG's shareholders was DKK 993 million as of 30 September 2022, compared to DKK 553 million as of 30 September 2021.

The development was mainly driven by net profit for the period, partially offset by tax on share-based payments and share buy-backs in the third quarter of 2022.

From 15 August 2022 to 31 March 2023 at the latest, NTG will purchase its own shares for an aggregate maximum amount of DKK 100 million. Reference is made to Company Announcement no. 9-22 for further information.

By the end of Q3 2022, NTG employed 2,051 full-time equivalents, compared to 1,877 by the end of Q3 2021.

Update on recent acquisitions

On 1 July 2022, NTG acquired the activities of Kontinent Transport, a Norway-based road freight forwarder.

Kontinent Transport was included in the consolidated financial statements of NTG as of July 2022, simultaneously with completion of the transfer of assets and liabilities to NTG Road Norway AS.

The acquisition of AGL, completed on 6 May 2022, contributed with DKK 573 million in net revenue and DKK 38 million in adj. EBIT in Q3 2022.

The acquisition of LGT Group, completed on 1 September 2021, contributed with DKK 94 million in net revenue and DKK 7 million in adj. EBIT in Q3 2022.

The integration of AGL is progressing according to plan, on track for finalisation in H1 2024.

Finalisation of the integration of LGT Group, previously expected by the end of 2022, is now expected by the end of 2023 at the latest. The change is a result of a near-term reprioritisation of IT resources.

Outlook

The guidance provided on 6 May 2022 is maintained, and for the full year 2022 we expect to achieve:

- Net revenue of DKK 9,700 – 10,200 million.
- Adj. EBIT of DKK 700 – 750 million.

The outlook is based on an expectation of a gradual normalisation in the second half of the year.

The outlook for 2022 assumes a stable macroeconomic environment with no additional material adverse events affecting regional and global cargo volumes and trade patterns.

The assumptions underlying the outlook may change.

Road & Logistics

Unlike previous quarters, the Road & Logistics division experienced a gradual stabilisation of the capacity situation in Q3 2022.

Though capacity remained short in supply, a gloomy market outlook and stagnating demand led to reduced supply-side pressure.

The situation caused a higher degree of stability in the cost of procuring capacity, and spot markets slowly declined in July and August as pre-COVID summer seasonality demand patterns re-emerged.

Spot activity however rebounded partially in September, and rates edged higher once more.

Contract-based businesses showed resilience throughout the third quarter of the year.

The EU Mobility Package, elevated fuel prices, and scarcity of trucks and drivers continue to impede inflow of new capacity, and market imbalances are likely to prevail in the coming quarters.

In combination with direct as well as indirect effects of persistent cost inflation, freight rates are projected to increase.

To support continued growth in the changing market environment, sales initiatives will be ramped up to capture market shares and to increase the share of contract-based business.

Efforts to promote additional cross sales will intensify.

Selected YTD financial information

(DKKm)	YTD 2021	Organic	%	Acquisitions	%	Currency	%	YTD 2022	%
Net external revenue	3,896.0	826.6	21.2%	534.7	13.7%	-106.8	-2.7%	5,150.5	32.2%
Gross profit	789.7	148.6	18.8%	112.3	14.2%	-12.6	-1.6%	1,038.0	31.4%
Adj. EBIT	300.6	71.6	23.9%	40.6	13.5%	-6.5	-2.2%	406.3	35.2%
Gross margin	20.3%							20.2%	-0.1 p.p.
Operating margin	7.7%							7.9%	0.2 p.p.
Conversion ratio	38.1%							39.1%	1.0 p.p.



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Road & Logistics, continued

Net revenue

Net revenue for the division totalled DKK 1,730 million in Q3 2022, compared to DKK 1,392 million in Q3 2021.

Total growth was 24.3%, composed of organic growth of 20.7%, effects from acquisitions of 6.7%, and currency translation effects of negative 3.1%.

Organic growth was predominantly driven by capacity and EU Mobility Package surcharges introduced to safeguard capacity, as well as elevated spot rates.

Volumes declined slightly in Q3 2022 compared to the same period last year.

LGT Group contributed with DKK 94 million in net revenue in Q3 2022.

Gross profit

Gross profit increased 19.8% to DKK 338 million in Q3 2022, compared to DKK 282 million in Q3 2021, corresponding to a gross margin of 19.5% and 20.2%, respectively.

The margin decrease was mainly driven by increasing costs of procuring capacity.

LGT Group contributed with DKK 22 million in gross profit in Q3 2022.

Operating profit before special items (adj. EBIT)

Adj. EBIT increased 25.5% to DKK 134 million in Q3 2022, compared to DKK 107 million in Q3 2021, corresponding to an operating margin of 7.7% in both periods.

The constant development was driven by a conversion ratio improvement of 1.8 percentage points to 39.7% which offset the gross margin development for the quarter.

The development is a result of increased gross profit per shipment compared to the same period last year as well as persistent cost control.

LGT Group contributed with DKK 7 million in operating profit in Q3 2022.

Selected quarterly financial information

(DKKm)	Q3 2021	Organic	%	Acquisitions	%	Currency	%	Q3 2022	%
Net external revenue	1,391.9	287.4	20.7%	93.8	6.7%	-43.2	-3.1%	1,729.9	24.3%
Gross profit	281.8	39.3	13.9%	21.7	7.7%	-5.2	-1.8%	337.6	19.8%
Adj. EBIT	106.7	22.5	21.1%	7.0	6.6%	-2.3	-2.2%	133.9	25.5%
Gross margin	20.2%							19.5%	-0.7 p.p.
Operating margin	7.7%							7.7%	0.0 p.p.
Conversion ratio	37.9%							39.7%	1.8 p.p.

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Air & Ocean

Following several quarters of demand outgrowing capacity, the third quarter of 2022 marked the beginning of a softening of global air and ocean freight markets.

In Q3 2022, the persistent challenges with unresolved congestions and long waiting times, primarily in Europe, were no longer sufficient to uphold spot rates at historical high levels.

Slowing demand, decreasing bottlenecks in the US and Asia, and elevated inventory levels altogether pushed ocean freight rates downward.

Ocean freight rates registered double-digit declines on the Transpacific and Europe-Asia trade lanes, while rates on the Transatlantic trade lane displayed single-digit declines.

In air freight, rates were also on the decline although at a more moderate pace.

The development was driven by softening demand across key trade lanes, capacity steadily returning to the market, and ocean freight re-emerging as a less expensive alternative.

The combination of volatile rate environments, less demand, and more available space poses new opportunities for market share gains amid spot rates sliding towards rates contracted by customers during 2021 and the first half of 2022.

In the coming quarters, the division will intensify sales and productivity-enhancing initiatives to counter potential downward pressure on yields by pursuing market share gains.

Focus will remain on close collaborations with customers and suppliers to safeguard an agile and competitive value proposition in a changeable business environment.



Selected YTD financial information

(DKKm)	YTD 2021	Organic	%	Acquisitions	%	Currency	%	YTD 2022	%
Net external revenue	1,233.6	343.3	27.8%	974.1	79.0%	26.4	2.1%	2,577.4	108.9%
Gross profit	241.0	52.9	22.0%	154.8	64.2%	7.4	3.1%	456.1	89.3%
Adj. EBIT	80.5	35.6	44.2%	60.3	74.9%	2.8	3.5%	179.2	122.6%
Gross margin	19.5%							17.7%	-1.8 p.p.
Operating margin	6.5%							7.0%	0.5 p.p.
Conversion ratio	33.4%							39.3%	5.9 p.p.

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Air & Ocean, continued

Net revenue

Net revenue for the division totalled DKK 1,091 million in Q3 2022, compared to DKK 477 million in Q3 2021.

Total growth was 128.7%, composed of organic growth of 7.1%, effects from the acquisition of AGL of 120.2%, and currency translation effects of 1.4%.

Organic growth was mainly driven by high growth in Poland and Denmark, partially offset by declining freight rates and, to a lesser extent, declining volumes with a limited number of customers, compared to the same period last year.

AGL contributed with DKK 573 million in net revenue in Q3 2022.

Gross profit

Gross profit increased 125.6% to DKK 196 million in Q3 2022, compared to DKK 87 million in Q3 2021, corresponding to a gross margin of 17.9% and 18.2%,

respectively.

The gross margin development was primarily driven by the impact of the acquisition of AGL

A stabilisation of gross margins in the remainder of the division amid declining freight rates had an offsetting effect during Q3 2022.

AGL contributed with DKK 97 million in gross profit in Q3 2022.

Operating profit before special items (adj. EBIT)

Adj. EBIT increased 108.9% to DKK 75 million in Q3 2022, compared to DKK 36 million in Q3 2021, corresponding to an operating margin of 6.9% and 7.6%, respectively.

The operating margin decrease was a result of a conversion ratio decrease of 3.1 percentage points to 38.5%.

The development was partially offset by the effects of the acquisition of AGL.

AGL contributed with DKK 38 million in operating profit in Q3 2022.

Selected quarterly financial information

(DKKm)	Q3 2021	Organic	%	Acquisitions	%	Currency	%	Q3 2022	%
Net external revenue	477.1	33.7	7.1%	573.3	120.2%	6.8	1.4%	1,090.9	128.7%
Gross profit	86.7	9.3	10.7%	97.1	112.0%	2.5	2.9%	195.6	125.6%
Adj. EBIT	36.1	0.2	0.6%	38.2	105.8%	0.9	2.5%	75.4	108.9%
Gross margin	18.2%							17.9%	-0.3 p.p.
Operating margin	7.6%							6.9%	-0.7 p.p.
Conversion ratio	41.6%							38.5%	-3.1 p.p.

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Interim Financial Statements

INCOME STATEMENT

(DKKm)	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Net revenue	2,821.3	1,869.5	7,728.0	5,130.2
Direct costs	-2,287.9	-1,500.8	-6,233.7	-4,099.4
Gross profit	533.4	368.7	1,494.3	1,030.8
Other external expenses	-67.5	-42.1	-174.5	-133.6
Staff costs	-199.8	-139.3	-570.7	-413.2
Operating profit before amortisation, depreciation, and special items (adj. EBITDA)	266.1	187.3	749.1	484.0
Amortisation and depreciation of intangible and tangible fixed assets	-56.8	-44.7	-163.5	-102.5
Operating profit before special items (adj. EBIT)	209.3	142.6	585.6	381.5
Special items, net	-0.5	0.0	-13.6	-4.2
Financial income	12.7	0.9	26.0	2.0
Financial costs, other	-12.3	-12.8	-41.1	-38.9
Profit before tax	209.2	130.7	556.9	340.4
Tax on profit for the period	-49.7	-20.9	-128.8	-61.1
Profit for the period	159.5	109.8	428.1	279.3
Attributable to:				
Shareholders in NTG A/S	145.9	99.8	388.6	252.6
Non-controlling interests	13.6	10.0	39.5	26.7
Earnings per share				
Earnings per share (DKK)	6.56	4.47	17.53	11.30
Diluted earnings per share (DKK) for the period	6.47	4.36	17.23	11.06

STATEMENT OF OTHER COMPREHENSIVE INCOME

(DKKm)	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Profit for the period	159.5	109.8	428.1	279.3
<i>Items that may be reclassified to the income statement:</i>				
Foreign exchange adjustments of subsidiaries	35.4	-3.1	35.6	1.8
<i>Items will not be reclassified to the income statement:</i>				
Actuarial adjustments on retirement benefit obligations	3.9	3.3	47.4	9.5
Other comprehensive income	39.3	0.2	83.0	11.3
Total comprehensive income	198.8	110.0	511.1	290.6
Attributable to:				
Shareholders in NTG A/S	186.0	100.7	472.8	263.8
Non-controlling interests	12.8	9.3	38.3	26.8

CASH FLOW STATEMENT

(DKKm)	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Operating profit before special items	209.3	142.6	585.6	381.5
Amortisation and depreciation	56.8	44.7	163.5	100.6
Share-based payments	1.8	1.7	4.7	5.8
Change in working capital etc.	14.9	-44.0	-77.7	-114.0
Change in provisions	0.3	-5.0	-4.1	-6.2
Financial income received	12.7	0.9	26.0	2.0
Interest paid on leasing contracts	-8.8	-7.5	-26.1	-21.9
Other financial expenses paid	-3.5	-5.3	-15.0	-17.0
Corporation taxes paid	-11.9	-8.8	-41.5	-27.9
Special items	-0.5	0.0	-13.6	-4.2
Cash flow from operating activities	271.1	119.3	601.8	298.7
Purchase of property, plant, and equipment	-0.9	-0.8	-8.0	-4.7
Disposal of tangible assets	0.0	0.0	4.9	1.9
Acquisition of business activities	-4.0	-62.3	-483.5	-152.0
Changes in other financial assets	4.5	-0.1	-13.2	-6.8
Cash flow from investing activities	-0.4	-63.2	-499.8	-161.6
Free cash flow	270.7	56.1	102.0	137.1

CASH FLOW STATEMENT, continued

(DKKm)	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Repayment of loans	0.0	-191.7	0.0	-191.7
Proceeds from loans	0.0	100.0	125.0	100.0
Repayment of lease liabilities	-52.1	-42.6	-149.8	-116.5
Repayments of other financial liabilities	-5.8	-12.9	-18.2	-17.5
<i>Shareholders and non-controlling interests</i>				
Purchase of treasury shares	-23.7	0.0	-23.7	-21.0
Dividends paid to non-controlling interests	-1.9	-3.1	-31.0	-15.4
Acquisition of shares from non-controlling interests	-13.3	-31.8	-30.5	-32.4
Disposal of shares to non-controlling interests	0.2	0.2	19.9	0.6
Cash flow from financing activities	-96.6	-181.9	-108.3	-293.9
Cash flow for the period	174.2	-125.8	-6.2	-156.8
Cash and cash equivalents at beginning of period*	-88.7	208.2	99.5	235.9
Cash flow for the period	174.2	-125.8	-6.2	-156.8
Currency translation adjustments	18.6	-1.8	10.8	1.5
Cash and cash equivalents at 30 September*	104.1	80.6	104.1	80.6
Statement of adjusted free cash flow				
Free cash flow	270.7	56.1	102.0	137.1
Special items	0.5	0.0	13.6	4.2
Acquisition of business activities	4.0	62.3	483.5	152.0
Repayment of lease liabilities reversed	-52.1	-42.6	-149.8	-116.5
Adjusted free cash flow	223.1	75.8	449.3	176.8

* Cash and cash equivalents are presented in the balance sheet less bank overdrafts of DKK 247.9 million on 30 September 2022, DKK 111.9 million on 1 January 2022 and 167.4 million on 30 September 2021.

BALANCE SHEET, assets

(DKKm)	30/09-2022	31/12-2021	30/09-2021
Intangible assets	1,365.7	857.2	858.6
Property, plant, and equipment	70.6	77.9	81.4
Right-of-use assets	740.2	712.4	716.4
Other receivables	62.5	27.8	26.7
Deferred tax assets	93.6	49.4	19.0
Total non-current assets	2,332.6	1,724.7	1,702.1
Trade receivables	1,837.4	1,211.0	1,219.1
Other receivables	111.5	93.6	111.7
Cash and cash equivalents	352.0	211.4	248.0
Corporation tax	1.2	1.1	4.8
Total current assets	2,302.1	1,517.1	1,583.6
Total assets	4,634.7	3,241.8	3,285.7

BALANCE SHEET, equity and liabilities

(DKKm)	30/09-2022	31/12-2021	30/09-2021
Share capital	453.0	453.0	453.0
Reserves	540.3	104.7	99.8
NTG A/S shareholders' share of equity	993.3	557.7	552.8
Non-controlling interests	86.4	76.2	68.4
Total equity	1,079.7	633.9	621.2
Deferred tax liabilities	2.4	2.7	2.6
Pensions and similar obligations	70.3	118.5	138.3
Provisions	2.6	2.8	3.0
Financial liabilities	413.0	105.1	106.4
Lease liabilities	605.0	594.4	602.5
Total non-current liabilities	1,093.3	823.5	852.8
Provisions	65.0	68.3	55.8
Financial liabilities	306.3	131.0	182.2
Lease liabilities	183.4	161.1	155.0
Trade payables	1,536.4	1,180.5	1,116.9
Other payables	249.8	210.4	241.1
Corporation tax	120.8	33.1	60.7
Total current liabilities	2,461.7	1,784.4	1,811.7
Total liabilities	3,555.0	2,607.9	2,664.5
Total equity and liabilities	4,634.7	3,241.8	3,285.7

STATEMENT OF CHANGES IN EQUITY – 1 January – 30 September 2022

(DKK)m	Share capital	Treasury share reserve	Translation reserve	Retained earnings	NTG A/S shareholder's share of equity	Non-controlling interests	Total equity
Equity at 1 January	453.0	-10.3	1.9	113.1	557.7	76.2	633.9
Profit for the period	0.0	0.0	0.0	388.6	388.6	39.5	428.1
Net exchange differences recognised in OCI	0.0	0.0	36.8	0.0	36.8	-1.2	35.6
Actuarial gains/(losses)	0.0	0.0	0.0	47.4	47.4	0.0	47.4
Other comprehensive income, net of tax	0.0	0.0	36.8	47.4	84.2	-1.2	83.0
Total comprehensive income for the period	0.0	0.0	36.8	436.0	472.8	38.3	511.1
<i>Transactions with shareholders:</i>							
Share-based payments	0.0	0.0	0.0	4.7	4.7	0.0	4.7
Tax on share-based payments	0.0	0.0	0.0	-16.9	-16.9	0.0	-16.9
Dividends distributed	0.0	0.0	0.0	0.0	0.0	-31.0	-31.0
Purchase of treasury shares	0.0	-1.9	0.0	-24.0	-25.9	0.0	-25.9
Acquisition of shares from non-controlling interests	0.0	3.0	0.0	-16.3	-13.3	-17.2	-30.5
Disposal of shares to non-controlling interests	0.0	0.0	0.0	14.2	14.2	20.1	34.3
Total transactions with owners	0.0	1.1	0.0	-38.3	-37.2	-28.1	-65.3
Equity at 30 September	453.0	-9.2	38.7	510.8	993.3	86.4	1,079.7

STATEMENT OF CHANGES IN EQUITY – 1 January – 30 September 2021

(DKKm)	Share capital	Treasury share reserve	Translation reserve	Retained earnings	NTG A/S shareholder's share of equity	Non-controlling interests	Total equity
Equity at 1 January	453.0	-4.4	-5.8	-110.5	332.3	60.7	393.0
Profit for the period	0.0	0.0	0.0	252.6	252.6	26.7	279.3
Net exchange differences recognised in OCI	0.0	0.0	1.7	0.0	1.7	0.1	1.8
Actuarial gains/(losses)	0.0	0.0	0.0	9.5	9.5	0.0	9.5
Other comprehensive income, net of tax	0.0	0.0	1.7	9.5	11.2	0.1	11.3
Total comprehensive income for the period	0.0	0.0	1.7	262.1	263.8	26.8	290.6
<i>Transactions with shareholders:</i>							
Share-based payments	0.0	0.0	0.0	5.8	5.8	0.0	5.8
Dividends distributed	0.0	0.0	0.0	0.0	0.0	-15.4	-15.4
Purchase of treasury shares	0.0	-1.8	0.0	-19.2	-21.0	0.0	-21.0
Acquisition of shares from non-controlling interests	0.0	0.0	0.0	-28.3	-28.3	-4.1	-32.4
Disposal of shares to non-controlling interests	0.0	0.0	0.0	0.2	0.2	0.4	0.6
Total transactions with owners	0.0	-1.8	0.0	-41.5	-43.3	-19.1	-62.4
Equity at 30 September	453.0	-6.2	-4.1	110.1	552.8	68.4	621.2

Notes

Note 1 – Accounting policies

The Interim Financial Report has been prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the EU and additional requirements in the Danish Financial Statements Act.

Accounting policies, judgements and significant estimates applied in preparation of the Interim Financial Report are consistent with those applied in the consolidated financial statements for 2021, except for the presentational update to terminal-related costs. Reference is made to note 1.1 of NTG Nordic Transport Group’s 2021 Annual Report for a description of accounting policies. For a definition of financial key figures and financial ratios, please see page 76 of NTG Nordic Transport Group’s 2021 Annual Report.

NTG Nordic Transport Group has implemented all new EU-approved standards and interpretations effective as of 1 January 2022. None of these standards and

interpretations have had a material impact on NTG Nordic Transport Group’s Financial Statements.

Accounting practice change, terminal-related costs

The presentation of direct terminal costs has been updated effective 1 January 2022, resulting in terminal facility expenses and staff costs being presented as Direct costs (formerly Other external expenses and Staff costs). Comparative figures for 2021 have been consequently restated and the impact is disclosed in the table below. The restatement only concerns the Road & Logistics segment.

Impact on total 2021 figures from presentational update of terminal-related costs

(DKKm)	Q3 2021			YTD 2021			Q4 2021			FY 2021		
	Published	Impact	Restated	Published	Impact	Restated	Published	Impact	Restated	Published	Impact	Restated
Net revenue	1,869.5	0.0	1,869.5	5,130.2	0.0	5,130.2	2,171.7	0.0	2,171.7	7,301.9	0.0	7,301.9
Direct costs	-1,470.9	-29.9	-1,500.8	-4,027.7	-71.7	-4,099.4	-1,682.1	-46.5	-1,728.6	-5,709.8	-118.2	-5,828.0
Gross profit	398.6	-29.9	368.7	1,102.5	-71.7	1,030.8	489.6	-46.5	443.1	1,592.1	-118.2	1,473.9
Other external expenses	-47.7	5.6	-42.1	-149.4	15.8	-133.6	-60.1	6.2	-53.9	-209.5	22.0	-187.5
Staff costs	-163.6	24.3	-139.3	-469.1	55.9	-413.2	-214.4	40.3	-174.1	-683.5	96.2	-587.3
Adj. EBITDA	187.3	0.0	187.3	484.0	0.0	484.0	215.1	0.0	215.1	699.1	0.0	699.1

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Note 2 – Segment information and net revenue

NTG Nordic Transport Group mainly derives revenue from freight forwarding services related to transport of goods throughout Europe and worldwide by road, air, and ocean.

(DKKm)	<i>Road & Logistics</i>		<i>Air & Ocean</i>		<i>Eliminations etc.</i>		<i>Total</i>	
	Q3 2022	Q3 2021	Q3 2022	Q3 2021	Q3 2022	Q3 2021	Q3 2022	Q3 2021
Segment net revenue	1,738.3	1,396.5	1,093.8	480.7	0.1	0.5	2,832.2	1,877.7
Net revenue (between segments)	-8.4	-4.6	-2.9	-3.6	0.4	0.0	-10.9	-8.2
Net revenue (external)	1,729.9	1,391.9	1,090.9	477.1	0.5	0.5	2,821.3	1,869.5
Gross Profit	337.6	281.8	195.6	86.7	0.2	0.2	533.4	368.7
Amortisation and depreciation	-51.5	-41.7	-5.1	-2.5	-0.2	-0.5	-56.8	-44.7
Operating profit before special items (adj. EBIT)	133.9	106.7	75.4	36.1	0.0	-0.2	209.3	142.6

(DKKm)	<i>Road & Logistics</i>		<i>Air & Ocean</i>		<i>Eliminations etc.</i>		<i>Total</i>	
	YTD 2022	YTD 2021	YTD 2022	YTD 2021	YTD 2022	YTD 2021	YTD 2022	YTD 2021
Segment net revenue	5,171.2	3,908.8	2,584.6	1,240.4	0.2	0.8	7,756.0	5,150.0
Net revenue (between segments)	-20.7	-12.8	-7.2	-6.8	-0.1	-0.2	-28.0	-19.8
Net revenue (external)	5,150.5	3,896.0	2,577.4	1,233.6	0.1	0.6	7,728.0	5,130.2
Gross Profit	1,038.0	789.7	456.1	241.0	0.2	0.1	1,494.3	1,030.8
Amortisation and depreciation	-150.5	-94.2	-12.5	-7.2	-0.5	-1.1	-163.5	-102.5
Operating profit before special items (adj. EBIT)	406.3	300.6	179.2	80.5	0.1	0.4	585.6	381.5

*Total assets and liabilities for each segment are not reported because such amounts are not regularly provided to the CODM (Chief Operating Decisions Maker)

Net Revenue (DKKm)	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Denmark	797.5	612.6	2,317.1	1,679.2
Sweden	423.0	338.1	1,292.1	923.8
USA	638.7	66.8	1,221.6	155.1
Finland	217.4	185.3	679.0	533.1
Germany	209.7	212.4	634.8	570.7
Other	535.0	454.3	1,583.4	1,268.3
Total	2,821.3	1,869.5	7,728.0	5,130.2

Note 3 – Leases

Contracts are assessed at inception to determine whether NTG Nordic Transport Group is entering a lease. If a lease is identified, a right-of-use asset and a corresponding lease liability are recognised in the balance sheet at the contract's commencement date.

Lease liabilities are initially measured at the present value of future leasing payments under the contract, discounted using either the interest rate implicit in the contract, or (if the implicit interest rate is not available) an incremental borrowing rate appropriate for NTG Nordic Transport Group.

Right-of-use assets are initially measured at cost, equivalent to the relevant recognised lease liability adjusted for any leasing payments made on or before

the commencement date, any initial costs associated to the lease and other directly related costs including dismantling and restoration costs.

Subsequent to recognition, lease liabilities are measured at amortised cost using the effective interest method, adjusted for any remeasurements or contract modifications. Lease payments are allocated between reduction of the liability and interest expenses. Interest expenses are charged to the income statement over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Subsequent to recognition, right-of-use assets are depreciated on a straight-line basis over the shorter of each asset's useful life and the relevant lease term and adjusted for any remeasurements of the lease liability.

(DKKm)	2022			2021		
	Land & buildings	Other plant and equipment	Total	Land & buildings	Other plant and equipment	Total
Carrying amount at 1 January	463.8	248.6	712.4	339.2	214.5	553.7
Additions from business combinations	30.4	0.0	30.4	171.3	49.3	220.6
Additions during the period	59.5	122.5	182.0	11.9	76.6	88.5
Disposals during the period	-5.6	-12.7	-18.3	-32.3	-15.3	-47.6
Depreciation for the period	-64.8	-91.3	-156.1	-21.2	-77.3	-98.5
Foreign currency translation	-6.2	-4.0	-10.2	-0.1	-0.2	-0.3
Carrying amount at 30 September	477.1	263.1	740.2	468.8	247.6	716.4



Note 4 – Acquisition and disposal of entities

Aries Global Logistics Inc.

On 6 May 2022, NTG completed the acquisition of 100% of the shares in Aries Global Logistics Inc (AGL). AGL is a full-service international air and ocean freight forwarder. AGL offers a range of value-added services including in-house customhouse brokerage and third-party inland transportation and warehousing solutions.

Consideration transferred

The total consideration consists of a cash payment of DKK 495.7 million in addition to a contingent consideration. The contingent consideration is determined based on the performance of AGL and NTG's existing US subsidiaries in 2022 (pro forma) and 2023. A sustained level of financial performance will result in earn-out payments of maximum USD 35 million. On 30 September 2022, the maximum earn-out consideration of USD 35 million (DKK 246.4 million) is recognised.

Adjusted for the fair value of acquired cash and cash equivalents of DKK 64.4 million, the net cash flow amounted to DKK 479.5 million (outflow), which includes an accelerated earn-out payment of DKK 26.7 million and change of control payment of DKK 21.5 million.

Earnings impact

During the period after the acquisition, AGL contributed with DKK 974.0 million to the Group's net revenue, DKK 60.3 million to the Group's adj. EBIT and

DKK 48.7 million to the result after tax. If the acquisition had taken place 1 January 2022 the Group's net revenue would have amounted to DKK 8,576.63 million and result after tax would have amounted to DKK 464.9 million.

Transaction costs

Transaction costs relating to the AGL acquisition amount to DKK 7.0 million. Transactions costs are accounted for in the income statements as special items.

Fair value of acquired net assets and recognised goodwill

Provisional fair values of acquired assets and liabilities at the acquisition date are given in the table to the right.

Fair value of acquired trade receivables and other receivables amounts to DKK 478.4 million. Collectability of receivables has been assessed based on Group credit assessment policies. In total DKK 21.3 million has been provided for as doubtful trade receivables.

Goodwill is primarily related to synergy effects from integration with NTG's existing infrastructure and network. Goodwill is non-deductible for tax purposes.

Integration of AGL is still ongoing, and consequently net assets, including goodwill and other intangible assets, may be adjusted, and off-balance sheet items may be recognised for up to 12 months after the acquisition dates, in accordance with IFRS 3.

(DKKm)	Fair values at date of acquisition
Right-of-use assets	26.1
Deferred tax assets	56.3
Trade receivables	477.0
Other receivables	1.4
Corporation tax	0.1
Cash and cash equivalents	64.4
Total Assets	625.3
Provisions	1.4
Financial liabilities	21.5
Lease liabilities	26.1
Trade payables	281.7
Other payables	19.0
Total liabilities	349.7
Non-controlling interests' share of acquired net assets	0.0
Acquired net assets	275.6
Fair value of total consideration	742.1
Goodwill and intangible assets arising from the acquisition	466.5

Note 5 – Treasury shares

Treasury shares are bought back to meet obligations relating to acquisition of minority shareholders' shares in NTG subsidiaries under the "Ring-the-Bell" concept and to cover obligations arising under share-based incentive programs and potentially for other purposes such as payment in relation to M&A transactions.

	Number of shares	Nominal value (DKKm)	Part of share capital	Market value (DKKm)
Treasury shares 1 January	515,751	10.3	2.28%	275.4
Ring-the-bell consideration paid	-152,050	-3.0	-0.67%	-54.5
Purchase of shares etc.	95,058	1.9	0.42%	25.9
Value adjustment				-159.5
Treasury shares 30 September	458,759	9.2	2.03%	87.3

Note 6 - Events after the reporting period

No events have occurred after the reporting date which could significantly affect the Group's financial position.

Statement of the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the Interim Report of NTG Nordic Transport Group A/S for the period 1 January 2022 to 30 September 2022.

The interim consolidated financial statements of NTG Nordic Transport Group A/S, which have not been audited or reviewed by the Company's auditor, have been prepared in accordance with IAS 34 Interim

Financial Reporting as adopted by the EU and additional Danish disclosure requirements for interim financial reporting of listed companies. In our opinion, the interim consolidated financial statements give a true and fair view of NTG Nordic Transport Group A/S' consolidated assets, liabilities, and financial position on 30 September 2022 and of the results of NTG Nordic Transport Group A/S' consolidated operations and cash flows for the period 1 January 2022 to 30 September 2022.

Furthermore, in our opinion the Management report includes a fair review of the development in NTG Nordic Transport Group A/S' operations and financial conditions, the results for the period, cash flows and financial position as well as a description of the most significant risks and uncertainty factors that NTG Nordic Transport Group A/S faces.

Hvidovre, 7 November 2022

Executive Board

Michael Larsen
Group CEO

Christian D. Jakobsen
Group CFO

Board of Directors

Eivind Kolding
Chairman of the board

Jørgen Hansen
Deputy chairman of the board

Finn Skovbo Pedersen
Board member

Carsten Krogsgaard Thomsen
Board member

Jesper Præstengaard
Board member

Karen-Marie Katholm
Board member

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