

Consolidated Interim Report Q1 2022 – NTG Nordic Transport Group A/S



Q1 2022 highlights

- Momentum from 2021 continued into the first quarter of 2022.
- Total growth in net revenue of 41.4%, hereof organic growth of 27.2%.
- Operating margin of 7.3% in Q1 2022 vs. 6.6% in Q1 2021.
- Acquisition of Aries Global Logistics completed on 6 May 2022.
- 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 January to 31 March

(DKKm)	Q1 2022	Q1 2021	Change
Net revenue	2,177.8	1,540.7	41.4%
Gross profit	427.7	314.8	35.9%
Adj. EBIT	159.5	101.4	57.3%
Profit for the period	99.2	66.6	48.9%
Gross margin	19.6%	20.4%	-0.8 p.p.
Operating margin	7.3%	6.6%	0.7 p.p.
Conversion ratio	37.3%	32.2%	5.1 p.p.

NTG Nordic Transport Group A/S

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CVR no. 12546106

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)	Q1 2022	Q1 2021	Balance sheet (DKKm)	31/03-2022	31/03-2021
Net revenue	2,177.8	1,540.7	Additions to property, plant, and equipment (excluding IFRS 16)	3.3	2.3
Gross profit	427.7	314.8	Balance sheet total	3,404.7	2,497.1
Operating profit before amortisation, depreciation, and special items (adj. EBITDA)	211.1	141.8	Net working capital	-160.7	-145.8
Operating profit before special items (adj. EBIT)	159.5	101.4	Net interest-bearing debt	752.3	448.9
Special items, net	-13.1	-4.2	Net interest-bearing debt, excluding IFRS 16	-37.0	-150.6
Net financial items	-15.1	-9.5	Invested capital	1,415.1	860.3
Profit for the period	99.2	66.6	Total equity	769.6	439.5
Earnings per share (DKK) for the period	3.90	2.63	NTG Nordic Transport Group A/S' shareholders' share of equity	680.2	371.3
Earnings per share (DKK) last 12 months	16.91	7.45	Non-controlling interests	89.4	68.2
Cash flow statement (DKKm)	Q1 2022	Q1 2021	Financial ratios	Q1 2022	Q1 2021
Operating activities	125.7	43.5	Gross margin	19.6%	20.4%
Investing activities	-17.2	-45.1	Operating margin	7.3%	6.6%
Free cash flow	108.5	-1.6	Conversion ratio	37.3%	32.2%
Adjusted free cash flow	74.3	3.5	ROIC before tax*	52.7%	36.4%
Financing activities	-58.8	-57.3	Return on equity*	99.3%	50.9%
Cash flow for the period	49.7	-58.9	Solvency ratio	22.6%	17.6%
			Leverage ratio*	0.98	0.92
			Employees	Q1 2022	Q1 2021
			Average number of employees	1,884	1,441

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

Momentum from 2021 continued into the first quarter of 2022 with high activity and capacity short in supply across all modes of transportation.

Implementation of the final phase of the EU Mobility Package and the war in Ukraine further added to uncertainties affecting global trade flows.

In spite of challenging dynamics, market conditions continued to be supportive, and financial results in both divisions exceeded those of the first quarter last year.

In the Road & Logistics division, activity remained high in Q1 2022 albeit volume growth gradually diminished towards the end of the quarter. Capacity surcharges and increasing spot rates supported high organic growth in Q1 2022.

In the Air & Ocean division, freight rates remained elevated in Q1 2022 driven by a combination of persistent structural imbalances, elevated uncertainty, and unresolved backlogs.

Net revenue in Q1 2022 increased 41.4%, compared to Q1 2021, to DKK 2,177.8 million.

Acquired growth totalled 15.7% in Q1 2022, driven by the acquisitions of Cargorange, Twente Express, Neptun Transport, and LGT Group completed during the course of 2021.

Organic growth totalled 27.2% in Q1 2022, compared to the same period last year, mainly due to continued shortages of capacity and increasing energy prices causing higher freight rates.

Currency translation effects had a negative impact on growth of 1.5 percentage points in Q1 2022. The impact was predominantly driven by a depreciation of SEK and TRY, partially offset by an appreciation of USD.

Gross profit increased 35.9% to DKK 427.7 million in Q1 2022, compared to DKK 314.8 million in Q1 2021, corresponding to a gross margin of 19.6% and 20.4%, respectively.

Adj. EBIT increased 57.3% to DKK 159.5 million in Q1 2022, compared to DKK 101.4 million in Q1 2021.

The operating margin was 7.3% for Q1 2022, compared to 6.6% in the same period last year.

Adj. EBIT in the Road & Logistics division increased 52.5% to DKK 124.0 million in Q1 2022 compared to Q1 2021.

Adj. EBIT in the Air & Ocean division increased 83.3% to DKK 36.3 million in Q1 2022 compared to Q1 2021.

Special items totalled DKK 13.1 million in Q1 2022, compared to DKK 4.2 million in Q1 2021.

Minorities' share of adj. EBIT was 10.0% in Q1 2022 compared to 10.2% in Q1 2021.

Net working capital was negative DKK 160.7 million as of 31 March 2022, compared to negative DKK 145.8 million as of 31 March 2021.

Adjusted free cash flow totalled DKK 74.3 million in Q1 2022, compared to DKK 3.5 million in Q1 2021. The increase was primarily driven by a combination of

improved operating performance and the development in net working capital.

As of 31 March 2022, NTG had a net cash position of DKK 37.0 million excluding IFRS 16 lease liabilities.

Following recent expansions of NTG's terminal activities, most notably driven by the acquisition of LGT Group in 2021, and to uphold financial transparency, NTG included all terminal-related costs as part of direct costs with effect as of 1 January 2022. Terminal-related costs were previously included in other external expenses and staff costs. Figures for the comparison period have been restated accordingly. For further information, reference is made to note 1.

The amendment, which solely affects the Road & Logistics division, does not include a reclassification of IFRS 16 lease liability amortisation and interest expenses related to terminals.

Management Report, continued

Update on recent acquisitions

On 6 May 2022, NTG completed the acquisition of 100% of the shares in Aries Global Logistics (AGL), a US-based air and ocean freight forwarder.

AGL will be included in the consolidated financial statements of NTG as of May 2022. The acquisition is expected to contribute with approximately DKK 1,400 million in revenue and approximately DKK 85 million in adj. EBIT for the remaining eight months of the year.

Transaction and integration costs of approximately DKK 25 million in total are expected to be charged under special items through to finalisation of integration in H1 2024, of which DKK 7.0 million have been charged under special items in Q1 2022.

For more details on AGL and the transaction, reference is made to [Company announcement no. 03 – 22](#), [Company announcement no. 06 – 22](#) and investor.ntg.com.

The acquisition of LGT Group, completed on 1 September 2021, is progressing according to plan with finalisation of integration expected by the end of 2022.

No integration costs regarding LGT Group have been charged under special items in Q1 2022.

The acquisitions of Cargorange, Twente Express, Neptun Transport, and LGT Group contributed with DKK 241.8 million in net revenue and DKK 18.3 million in adj. EBIT in the first quarter of 2022.

Ukraine and Russia

As a result of the outbreak of war in Ukraine in Q1 2022, NTG suspended shipments to, from, and transiting Russian and Belarusian territory, except for medical, food, and humanitarian supplies.

As the saddening situation unfolded, NTG decided to pursue a divestment of its Russian and Belarusian activities. In April 2022, an agreement to divest the Russian and Belarusian activities in a management buy-out was signed.

The activities, including certain entities in Kazakhstan, Belarus, and Germany, all part of the former Russian group structure within NTG, were divested with immediate effect.

In 2021, the divested activities accounted for approximately DKK 83 million in net revenue and approximately DKK 3 million in operating profit.

Write-downs of DKK 6.1 million and DKK 2.3 million related to these assets have been charged under special items and financial expenses, respectively, in Q1 2022.

The Ukrainian activities will continue as a separate legal entity within NTG.

The suspension of shipments to, from, and transiting Russian and Belarusian territory remains in force following the divestment, and NTG continues to do its utmost to support and alleviate adverse implications for

all customers affected by the war and ensuing suspension of services.

The situation continues to be closely monitored and the impact of potential new restrictions and sanctions will be evaluated continuously.

Outlook

Based on the expected financial impact of the acquisition of AGL for the remainder of 2022, the positive development in NTG's existing business in Q1 2022, and an expectation of current market conditions continuing in Q2 2022, NTG raised its full-year expectations for 2022 on 6 May 2022.

We maintain this guidance, and for the full year 2022 we expect to achieve:

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

The outlook is based on an expectation of the current market situation continuing in the second quarter of 2022, followed by a gradual normalisation in the second half of the year.

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

As uncertainty gradually increased during the first quarter of 2022, the assumptions underlying the outlook may change.

Road & Logistics

Q1 2022 was another demanding quarter for the Road & Logistics division as the war in Ukraine resulted in elevated uncertainty, unpredictability, and soaring energy prices that affected both domestic and cross-border transports throughout Europe.

On 1 February 2022, the Mobility Package adopted by the European Union took final effect, and the implications gradually surfaced towards the end of the quarter amid mounting capacity shortages.

The full effects of the EU Mobility Package remain to be seen as vehicles gradually start to return to home within statutory eight-week cycles.

The Road & Logistics division maintained momentum in the first quarter of the year, and financial results exceeded those of the same period last year on an organic basis.

Acquisitions completed in 2021 further added to growth within the division in the first quarter of the year.

Continued shortages of trucks and drivers and soaring energy prices are expected to keep freight rates elevated in the near term.

In line with previous quarters, the Road & Logistics division retained focus on safeguarding existing customer relationships in Q1 2022, at the expense of short-term optimisation through increased activity in the spot market. A selective approach to onboarding of new customers was applied.

Focus on securing capacity on behalf of existing customers in the short- and medium term remains a key priority, and new initiatives are continuously being evaluated.

Selected quarterly financial information

(DKKm)	Q1 2021	Organic	%	Acquisitions	%	Currency	%	Q1 2022	%
Net external revenue	1,178.3	277.9	23.6%	241.8	20.5%	-30.9	-2.6%	1,667.1	41.5%
Gross profit	239.0	51.5	21.5%	48.8	20.4%	-4.4	-1.8%	334.9	40.1%
Adj. EBIT	81.3	26.5	32.6%	18.3	22.5%	-2.1	-2.6%	124.0	52.5%
Gross margin	20.3%							20.1%	-0.2 p.p.
Operating margin	6.9%							7.4%	0.5 p.p.
Conversion ratio	34.0%							37.0%	3.0 p.p.



Road & Logistics, continued

Net revenue

Net revenue for the division totalled DKK 1,667.1 million in Q1 2022 compared to DKK 1,178.3 million in Q1 2021.

Total growth was 41.5%, composed of organic growth of 23.6%, effects from acquisitions of 20.5%, and currency translation effects of negative 2.6%.

The increase in revenue was mainly driven by capacity surcharges introduced in 2021 to safeguard capacity, and intensified efforts to fortify relations with customers and partners.

Capacity surcharges and increasing spot rates were the main drivers of organic growth in the first quarter of 2022.

Gross profit

Gross profit increased 40.1% to DKK 334.9 million in Q1 2022, compared to DKK 239.0 million in Q1 2021, corresponding to a gross margin of 20.1% and 20.3%, respectively.

The decrease was primarily driven by rising input factor prices caused by driver and truck shortages.

The abrupt spikes in energy prices in the wake of the outbreak of war in Ukraine had an additional adverse impact on gross margins in Q1 2022.

The acquisition of LGT Group and capacity surcharges introduced in the second half of 2021 had a partially offsetting effect on the gross margin development.

Operating profit before special items (adj. EBIT)

Adj. EBIT for Q1 2022 totalled DKK 124.0 million, an increase of DKK 42.7 million compared to Q1 2021.

The operating margin was 7.4% for Q1 2022, compared to 6.9% in the same period last year.

The development was driven by a conversion ratio improvement of 3.0 percentage points to 37.0%, which more than offset the gross margin development.

Like previous quarters, the conversion ratio improvement was a result of increased efficiency and scalability of fixed costs in the division, resulting in gross profit growth exceeding growth in fixed costs during the quarter, on a like-for-like basis.

Air & Ocean

Freight rates remained elevated in the first quarter of 2022 with no apparent signs of normalisation following Chinese New Year.

The war in Ukraine further added to market imbalances, and renewed disruptions to global supply chains caused further capacity shortages on trade lanes previously transcending Russian and Ukrainian territory.

The war in Ukraine, soaring energy prices, and existing backlogs continued to hamper freight rate normalisations in the first quarter of 2022.

The re-emergence of lockdowns in China poses another potential trigger of further congestions in the near term.

Based on the developments in the first quarter of 2022, the air and ocean markets are not expected to ease notably in the first half of 2022.

Financial results in the division for the first quarter of the year were mainly driven by the division's activities in the US, followed by Sweden, Germany, and Finland.

Net revenue

Net revenue for the division totalled DKK 510.6 million in Q1 2022, compared to DKK 362.5 million in Q1 2021.

Total growth was 40.9%, composed of organic growth of 38.9% and currency translation effects of 2.0%.

Organic growth was mainly driven by higher freight rates.

Selected quarterly financial information

(DKKm)	Q1 2021	Organic	%	Acquisitions	%	Currency	%	Q1 2022	%
Net external revenue	362.5	140.7	38.9%	0.0	0.0%	7.4	2.0%	510.6	40.9%
Gross profit	75.8	15.8	20.9%	0.0	0.0%	1.9	2.5%	93.5	23.4%
Adj. EBIT	19.8	15.9	80.3%	0.0	0.0%	0.6	3.0%	36.3	83.3%
Gross margin	20.9%							18.3%	-2.6 p.p.
Operating margin	5.5%							7.1%	1.6 p.p.
Conversion ratio	26.1%							38.8%	12.7 p.p.

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Air & Ocean, continued

Gross profit

Gross profit increased 23.4% to DKK 93.5 million in Q1 2022, compared to DKK 75.8 million in Q1 2021, corresponding to a gross margin of 18.3% and 20.9%, respectively.

Elevated freight rates in Q1 2022 resulting in increasing pass-through revenue were the main driver of the development.

Operating profit before special items (adj. EBIT)

Adj. EBIT for Q1 2022 totalled DKK 36.3 million, an increase of DKK 16.5 million compared to Q1 2021.

The operating margin was 7.1% for Q1 2022, compared to 5.5% in the same period last year.

The operating margin increase was driven by a conversion ratio increase of 12.7 percentage points to 38.8%.

The development was supported by a scalable operating model with a combination of increasing efficiency and persistent cost control.

With the completion of the acquisition of AGL on 6 May 2022, revenue and volumes of the Air & Ocean division are expected to double on an annualised basis, and the transaction is expected to significantly strengthen the division's activities globally.

Interim Financial Statements

INCOME STATEMENT

(DKKm)	Q1 2022	Q1 2021
Net revenue	2,177.8	1,540.7
Direct costs	-1,750.1	-1,225.9
Gross profit	427.7	314.8
Other external expenses	-45.9	-42.4
Staff costs	-170.7	-130.6
Operating profit before amortisation, depreciation, and special items (adj. EBITDA)	211.1	141.8
Amortisation and depreciation of intangible and tangible fixed assets	-51.6	-40.4
Operating profit before special items (adj. EBIT)	159.5	101.4
Special items, net	-13.1	-4.2
Financial income	0.8	0.2
Financial costs, other	-15.9	-9.7
Profit before tax	131.3	87.7
Tax on profit for the period	-32.1	-21.1
Profit for the period	99.2	66.6
Attributable to:		
Shareholders in NTG A/S	86.3	58.8
Non-controlling interests	12.9	7.8
Earnings per share		
Earnings per share (DKK)	3.90	2.63
Diluted earnings per share (DKK) for the period	3.82	2.60

STATEMENT OF OTHER COMPREHENSIVE INCOME

(DKKm)	Q1 2022	Q1 2021
Profit for the period	99.2	66.6
<i>Items that may be reclassified to the income statement:</i>		
Foreign exchange adjustments of subsidiaries	0.3	0.9
<i>Items will not be reclassified to the income statement:</i>		
Actuarial adjustments on retirement benefit obligations	22.0	-0.6
Other comprehensive income	22.3	0.3
Total comprehensive income	121.5	66.9
Attributable to:		
Shareholders in NTG A/S	108.9	59.2
Non-controlling interests	12.6	7.7

CASH FLOW STATEMENT

(DKKm)	Q1 2022	Q1 2021
Operating profit before special items	159.5	101.4
Amortisation and depreciation etc.	51.6	40.4
Share-based payments	1.2	1.0
Change in working capital etc.	-37.9	-70.0
Change in provisions	-2.2	-3.3
Financial income received	0.8	0.2
Interest paid on leasing contracts	-8.5	-7.5
Other financial expenses paid	-7.4	-2.2
Corporation taxes paid	-18.3	-12.3
Special items	-13.1	-4.2
Cash flow from operating activities	125.7	43.5
Purchase of property, plant, and equipment	-3.3	-2.3
Disposal of tangible assets	3.9	0.5
Acquisition of business activities	0.0	-37.1
Changes in other financial assets	-17.8	-6.2
Cash flow from investing activities	-17.2	-45.1
Free cash flow	108.5	-1.6

CASH FLOW STATEMENT, continued

(DKKm)	Q1 2022	Q1 2021
Repayment of lease liabilities	-47.3	-36.2
Repayments of other financial liabilities	-11.8	0.3
<i>Shareholders and non-controlling interests</i>		
Purchase of treasury shares	0.0	-21.0
Dividends paid to non-controlling interests	-3.5	0.0
Acquisition of shares from non-controlling interests	-0.3	-0.5
Disposal of shares to non-controlling interests	4.1	0.1
Cash flow from financing activities	-58.8	-57.3
Cash flow for the period	49.7	-58.9
Cash and cash equivalents at 1 January*	99.5	235.9
Cash flow for the period	49.7	-58.9
Currency translation adjustments	0.2	0.8
Cash and cash equivalents at 31 March*	149.4	177.8
Statement of adjusted free cash flow		
Free cash flow	108.5	-1.6
Special items	13.1	4.2
Acquisition of business activities	0.0	37.1
Repayment of lease liabilities reversed	-47.3	-36.2
Adjusted free cash flow	74.3	3.5

* Cash and cash equivalents are presented in the balance sheet less bank overdrafts of DKK 14.5 million at 31 March and DKK 111.9 million at 1 January (Q1 2021: DKK 0 million at both beginning and ending of period).

BALANCE SHEET, assets

(DKKm)	31/03-2022	31/12-2021	31/03-2021
Intangible assets	857.2	857.2	545.2
Property, plant, and equipment	72.2	77.9	76.1
Right-of-use assets	744.7	712.4	536.8
Other receivables	60.0	27.8	17.4
Deferred tax assets	49.5	49.4	12.1
Total non-current assets	1,783.6	1,724.7	1,187.6
Trade receivables	1,351.6	1,211.0	1,046.8
Other receivables	104.3	93.6	84.6
Cash and cash equivalents	163.9	211.4	177.8
Corporation tax	1.3	1.1	0.3
Total current assets	1,621.1	1,517.1	1,309.5
Total assets	3,404.7	3,241.8	2,497.1

BALANCE SHEET, equity and liabilities

(DKKm)	31/03-2022	31/12-2021	31/03-2021
Share capital	453.0	453.0	453.0
Reserves	227.2	104.7	-81.7
NTG A/S shareholders' share of equity	680.2	557.7	371.3
Non-controlling interests	89.4	76.2	68.2
Total equity	769.6	633.9	439.5
Deferred tax liabilities	2.7	2.7	1.4
Pensions and similar obligations	95.7	118.5	149.0
Provisions	2.6	2.8	3.0
Financial liabilities	101.3	105.1	8.1
Lease liabilities	609.6	594.4	468.4
Total non-current liabilities	811.9	823.5	629.9
Provisions	67.1	68.3	57.3
Financial liabilities	25.6	131.0	19.1
Lease liabilities	179.7	161.1	131.1
Trade payables	1,289.3	1,180.5	1,008.0
Other payables	212.6	210.4	185.5
Corporation tax	48.9	33.1	26.7
Total current liabilities	1,823.2	1,784.4	1,427.7
Total liabilities	2,635.1	2,607.9	2,057.6
Total equity and liabilities	3,404.7	3,241.8	2,497.1

STATEMENT OF CHANGES IN EQUITY – 1 January – 31 March 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	86.3	86.3	12.9	99.2
Net exchange differences recognised in OCI	0.0	0.0	0.6	0.0	0.6	-0.3	0.3
Actuarial gains/(losses)	0.0	0.0	0.0	22.0	22.0	0.0	22.0
Other comprehensive income, net of tax	0.0	0.0	0.6	22.0	22.6	-0.3	22.3
Total comprehensive income for the period	0.0	0.0	0.6	108.3	108.9	12.6	121.5
<i>Transactions with shareholders:</i>							
Share-based payments	0.0	0.0	0.0	1.2	1.2	0.0	1.2
Tax on share-based payments	0.0	0.0	0.0	-1.7	-1.7	0.0	-1.7
Dividends distributed	0.0	0.0	0.0	0.0	0.0	-3.5	-3.5
Acquisition of shares from non-controlling interests	0.0	0.0	0.0	0.0	0.0	-0.3	-0.3
Disposal of shares to non-controlling interests	0.0	0.0	0.0	14.1	14.1	4.4	18.5
Total transactions with owners	0.0	0.0	0.0	13.6	13.6	0.6	14.2
Equity at 31 March	453.0	-10.3	2.5	235.0	680.2	89.4	769.6

STATEMENT OF CHANGES IN EQUITY – 1 January – 31 March 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	58.8	58.8	7.8	66.6
Net exchange differences recognised in OCI	0.0	0.0	1.0	0.0	1.0	-0.1	0.9
Actuarial gains/(losses)	0.0	0.0	0.0	-0.6	-0.6	0.0	-0.6
Tax on other comprehensive income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other comprehensive income, net of tax	0.0	0.0	1.0	-0.6	0.4	-0.1	0.3
Total comprehensive income for the period	0.0	0.0	1.0	58.2	59.2	7.7	66.9
<i>Transactions with shareholders:</i>							
Share-based payments	0.0	0.0	0.0	1.0	1.0	0.0	1.0
Dividends distributed	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Purchase of treasury shares	0.0	-1.8	0.0	-19.2	-21.0	0.0	-21.0
Addition of non-controlling interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Acquisition of shares from non-controlling interests	0.0	0.0	0.0	-0.2	-0.2	-0.3	-0.5
Disposal of shares to non-controlling interests	0.0	0.0	0.0	0.0	0.0	0.1	0.1
Total transactions with owners	0.0	-1.8	0.0	-18.4	-20.2	-0.2	-20.4
Equity at 31 March	453.0	-6.2	-4.8	-70.7	371.3	68.2	439.5

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)	Q1 2021			Q2 2021			Q3 2021			Q4 2021			FY 2021		
	Published	Impact	Restated	Published	Impact	Restated	Published	Impact	Restated	Published	Impact	Restated	Published	Impact	Restated
Net revenue	1,540.7	0.0	1,540.7	1,720.0	0.0	1,720.00	1,869.5	0.0	1,869.5	2,171.7	0.0	2,171.7	7,301.9	0.0	7,301.9
Direct costs	-1,205.4	-20.5	-1,225.9	-1,351.4	-21.3	-1,372.7	-1,470.9	-29.9	-1,500.8	-1,682.1	-46.5	-1,728.6	-5,709.8	-118.2	-5,828.0
Gross profit	335.3	-20.5	314.8	368.6	-21.3	347.3	398.6	-29.9	368.7	489.6	-46.5	443.1	1,592.1	-118.2	1,473.9
Other external expenses	-47.4	5.0	-42.4	-54.3	5.2	-49.1	-47.7	5.6	-42.1	-60.1	6.2	-53.9	-209.5	22.0	-187.5
Staff costs	-146.1	15.5	-130.6	-159.4	16.1	-143.3	-163.6	24.3	-139.3	-214.4	40.3	-174.1	-683.5	96.2	-587.3
Adj. EBITDA	141.8	0.0	141.8	154.9	0.0	154.9	187.3	0.0	187.3	215.1	0.0	215.1	699.1	0.0	699.1

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>	
	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021
Segment net revenue	1,672.2	1,182.6	511.9	363.8	0.2	0.1	2,184.3	1,546.5
Net revenue (between segments)	-5.1	-4.3	-1.3	-1.3	-0.1	-0.2	-6.5	-5.8
Net revenue (external)	1,667.1	1,178.3	510.6	362.5	0.1	-0.1	2,177.8	1,540.7
Gross Profit	334.9	239.0	93.5	75.8	-0.7	0.0	427.7	314.8
Amortisation and depreciation	-48.3	-37.7	-3.2	-2.3	-0.1	-0.4	-51.6	-40.4
Operating profit before special items (adj. EBIT)	124.0	81.3	36.3	19.8	-0.8	0.3	159.5	101.4

*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 per country (DKKm)	Q1 2022	Q1 2021
Denmark	729.3	510.1
Sweden	410.7	271.3
Germany	221.3	165.7
Finland	213.2	164.7
Other countries	603.3	428.9
Total	2,177.8	1,540.7

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
Opening balance 1 January	463.8	248.6	712.4	339.2	214.5	553.7
Additions from business combinations	0.0	0.0	0.0	0.0	2.2	2.2
Additions during the period	31.0	60.9	91.9	1.2	23.2	24.4
Disposals during the period	-3.0	-5.4	-8.4	-0.1	-4.7	-4.8
Depreciation for the period	-19.6	-29.8	-49.4	-12.9	-24.6	-37.5
Foreign currency translation	-1.1	-0.7	-1.8	-0.4	-0.8	-1.2
Carrying amount at 31 March	471.1	273.6	744.7	327.0	209.8	536.8

Note 4 – Related party transactions

NTG Nordic Transport Group's related parties include the Group's Board of Directors, the Executive Board and close family members of these persons. Related parties also include companies in which these persons have significant influence.

None of the related parties have control of NTG Nordic Transport Group.

NTG Nordic Transport Group had the following transactions with related parties during the interim period:

<u>(DKKm)</u>	<u>Q1 2022</u>	<u>Q1 2021</u>
<u>Rent and leasing from related parties</u>	<u>0.0</u>	<u>-3.0</u>

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
Value adjustment				-63.9
Treasury shares 31 March	515,751	10.3	2.28	211.5

Note 6 – Events after the reporting period

In April 2022, an agreement to divest the Russian and Belarusian activities in a management buy-out was signed, and as such the entities will be deconsolidated from the Group in Q2 2022. The transaction has warranted a fair value adjustment of the related assets and liabilities in Q1 2022, resulting in a total write-down of DKK 8.4 million (DKK 6.1 million as special items and DKK 2.3 million as financial costs). For further information, reference is made to the Management's Review.

On 6 May 2022, NTG completed the acquisition of 100% of the shares in Aries Global Logistics (AGL) that was announced in [company announcement no. 03 - 22](#) on 29 March 2022. AGL will be included in the consolidated financial statements of NTG as of May 2022. For further information, reference is made to the Management's Review.

The transaction values 100 % of the shares in AGL at USD 70 million on a cash and debt free basis, settled by cash consideration. This excludes a contingent consideration based on realised performance in a period following closing of the transaction. Valuation of the contingent consideration is not yet assessed by Management, and disclosure is therefore not possible.

At the time these financial statements were authorised for issue, the Group had not completed accounting for the acquisition of AGL. Therefore, fair values of acquired assets and liabilities are not disclosed.

Conversion of the acquisition's financial reporting to Group principles is pending, and as such no disclosure of the acquisition's past financial results can be made.

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 31 March 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 at 31 March 2022 and of the results of NTG Nordic Transport Group A/S' consolidated operations and cash flows for the period 1 January 2022 to 31 March 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, 10 May 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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