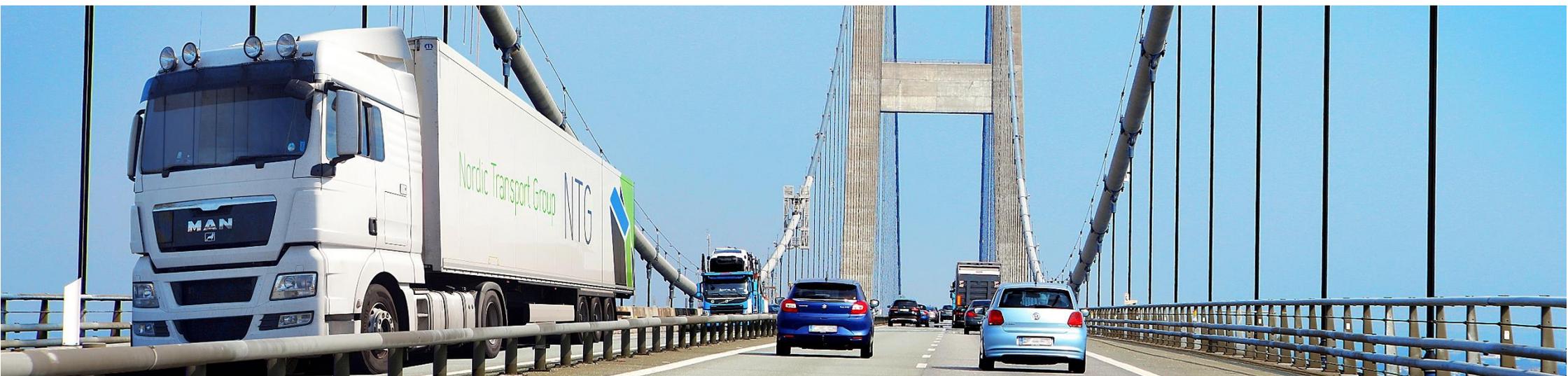


# Consolidated Interim Report 2019 Q3 – Nordic Transport Group



## Q3 2019 highlights:

- Revenue growth of 9% since same quarter last year, driven by 6% organic growth.
- Adj. EBIT of DKK 51 million, bringing the total adj. EBIT for the first nine months to DKK 148 million.
- Operating margin of 3.8%, a slight increase from 3.7% in H1 2019.
- Guidance for the year is maintained at DKK 5,000-5,500 million in revenue and DKK 200-215 million in adj. EBIT.

Q3 2019 also marked the last quarter as a private company.

## Selected financial information

For the period 1 July 2019 to 30 September 2019

(DKK '000)	2019 Q3 Incl. IFRS 16	2018 Q3 Excl. IFRS 16
Net revenue	1,328,104	1,219,020
Gross profit	268,455	236,715
Adj. EBIT	50,824	48,119
Operating margin	3.8%	3.9%
Conversion ratio	18.9%	20.3%
Profit for the period	22,079	31,015

## Listing of Nordic Transport Group

On 7 October 2019, NTG Nordic Transport Group A/S (formerly: Neurosearch A/S) acquired all shares in Nordic Transport Group A/S. For further information on the transaction, reference is made to NTG Nordic Transport Group A/S' (formerly: Neurosearch A/S) prospectus dated 24 September 2019 and company announcement no. 28 of 7 October 2019. This consolidated interim report is published as an addendum to the interim report of NTG Nordic Transport Group A/S (formerly: Neurosearch A/S) to indicate the size and operations of the future Group.

### Nordic Transport Group A/S

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### Forward-looking statements

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 Nordic Transport Group and its subsidiaries operates. 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.

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## Financial Highlights

<b>Income statement (DKK '000)</b>	<b>2019 Q3</b>	<b>2018 Q3</b>	<b>2019 YTD</b>	<b>2018 YTD</b>
		Excl. IFRS 16		Excl. IFRS 16
Net revenue	1,328,104	1,219,020	3,931,281	3,273,139
Gross profit	268,455	236,715	793,778	620,932
Operating profit before amortizations, depreciations and special items (adj. EBITDA)	85,998	49,665	246,356	139,342
Operating profit before special items (adj. EBIT)	50,824	48,119	147,835	135,429
Special items, net	-4,046	119	-17,611	-6,085
Net financial items	-14,107	-4,462	-36,696	-8,602
Profit for the period	22,079	31,015	62,339	87,477

<b>Cash flow statement (DKK '000)</b>	<b>2019 Q3</b>	<b>2018 Q3</b>	<b>2019 YTD</b>	<b>2018 YTD</b>
		Excl. IFRS 16		Excl. IFRS 16
Operating activities	44,243	19,608	163,145	-9,082
Investing activities	986	-19,354	-21,338	-11,964
Free cash flow	45,229	254	141,807	-21,046
Financing activities	-52,647	-650	-164,885	-130,860
Cash flow for the period	-7,418	-396	-23,078	-151,906

<b>Balance sheet statement (DKK '000)</b>	<b>30/09-2019</b>	<b>30/09-2018</b>
		Excl. IFRS 16
Investment in property, plant and equipment	3,776	-13,606
Balance sheet total	2,021,017	1,250,219
Net working capital	-82,953	-25,378
Net interest-bearing debt, excluding IFRS 16	-106,359	-2,275
NTG A/S' shareholders' share of equity	168,498	113,463
Non-controlling interests	61,147	70,210

<b>Financial ratios (DKK '000)</b>	<b>2019 Q3</b>	<b>2018 Q3</b>	<b>2019 YTD</b>	<b>2018 YTD</b>
		Excl. IFRS 16		Excl. IFRS 16
Gross margin	20.2%	19.4%	20.2%	19.0%
Operating margin	3.8%	3.9%	3.8%	4.1%
Conversion ratio	18.9%	20.3%	18.6%	21.8%
Return on equity			28.5%	51.3%
Solvency ratio			11.4%	14.7%

<b>Employees</b>	<b>2019 YTD</b>	<b>2018 YTD</b>
Average number of employees	1,408	1,367

## Management report

NTG continued its growth journey through Q3 2019 with total revenue growth of 9% and organic growth of 6% compared to same quarter last year. Revenue growth for the first nine months was 20% with acquisitions accounting for 13% and organic growth including start-ups accounting for 7%.

Gross margin for the quarter was 20.2%, in line with the margin at the end of H1 2019, but an increase relative to Q3 2018, partly driven by the implementation of IFRS 16.

Adj. EBIT for the quarter was DKK 51 million compared to DKK 48 million for Q3 2018. Q3 2019 included a positive effect of DKK 3 million from IFRS 16. Q3 2019 was negatively impacted by underperformance in a few subsidiaries in Road & Logistics.

Adj. EBIT for the first nine months was DKK 148 million compared to DKK 135 million in the first nine months of 2018, including a positive impact in 2019 of DKK 9 million from IFRS 16.

Operating margin saw an increase relative to H1 2019 and came out a 3.8% for the quarter, mainly driven by growth-stage subsidiaries in Air & Ocean and the Nordic-based subsidiaries in Road & Logistics.

### Start-ups and organic growth

One new start-up was established in Q3 2019 as Air & Ocean expanded its presence in the US with an office in New Jersey. The company further strengthens NTG's expansion in the US market.

### Gondrand

At closing of the transaction in April 2018, the acquisition of the Gondrand group marked the largest acquisition to date for NTG with net revenue around DKK 1,300 million. NTG has continuously worked on improving the performance of the challenged Gondrand companies, and these efforts continued in the third quarter.

The task of on-boarding key employees as partners in the Gondrand companies continued in Q3 2019, where new partners were indentified in a number of subsidiaries.

In the first six months of 2019 the Gondrand group contributed negatively to adj. EBIT with DKK 10 million. The contribution in Q3 2019 was negative DKK 4 million, bringing the total impact for the first nine months of 2019 to negative DKK 14 million.

### Conversion of mature subsidiaries

As part of NTG's governance model, shareholders of non-controlling interests in subsidiaries have, upon maturity, a pre-defined mechanism of swapping their subsidiary shares with shares in the parent company (the entity Nordic Transport Group A/S prior to 7 October and NTG Nordic Transport Group A/S after 7 October). The swaps are subject to an offer from non-controlling subsidiary shareholders and an acceptance from NTG's Executive Management.

As part of the listing process it had been agreed that seven mature subsidiaries would complete their equity swaps prior to the public offering.

During the period, equity swaps were carried out with a shareholder in one Swedish subsidiary, NTG Continent AB.

Compared to 30 June 2019 this equity swap raised Nordic Transport Group A/S' equity by DKK 1 million and lowered non-controlling interests' share of equity by an equal amount. At 30 September 2019, Nordic Transport Group A/S' share of equity was DKK 168 million and non-controlling interests' share of equity was DKK 61 million (30 June 2019: DKK 165 million, respectively DKK 56 million).

As of 30 September, minorities' share of adj. EBIT for the year was 20.8% and their share of net income was 38.5%. The difference mainly relates to IPO costs, which are borne by the shareholders of Nordic Transport Group A/S as special items.

After the end of the reporting period further equity swaps were completed in four additional mature subsidiaries, NTG East A/S, NTG Continent AB, NTG Solution AB and NTG East AB. As of 27 November 2019, all seven mature subsidiaries are 100% owned by the parent company NTG Nordic Transport Group A/S.

Had the swap of all seven mature subsidiaries been completed by the beginning of Q3 2019, minorities'

## Management report, continued

share of adj. EBIT would have been 13.7% and their share of net income would have been 21.7%.

No further equity swaps have been agreed at this time, meaning future equity swaps will follow predefined ("ring-the-bell") mechanism.

### Guidance for 2019

NTG maintains the guidance for 2019 of DKK 5,000-5,500 million in revenue and DKK 200-215 million in adj. EBIT, assuming a stable macro-economic environment.

### Events after the balance sheet date

9 October 2019 marked a milestone in NTG's history. 8½ years after the founding of the company NTG had its first day of trading on the Nasdaq Copenhagen stock exchange. It was the culmination of extensive preparations and marks the beginning of a new era for the company.

Prior to the first day of trading, all shares in Nordic Transport Group A/S were acquired by NTG Nordic Transport Group A/S (formerly Neurosearch A/S) through a capital increase and issue of new shares in NTG Nordic Transport Group A/S to the former shareholders in Nordic Transport Group A/S. Nordic

Transport Group thereby achieved a listing on Nasdaq Copenhagen.

Further information on the accounting effects of this reverse acquisition transaction are described in note 7.

### Special items

Special items for the quarter amounted to DKK 4 million, bringing the special items for the first nine months of 2019 to DKK 18 million in total.

It is estimated that full-year special items will total DKK 34 million, mainly related to IPO costs. In addition, the full-year income statement will be affected by an excess value cost of approximately DKK 59 million and the equity statement affected by capital increase costs of DKK 6 million, both in relation to the reverse acquisition transaction. Refer to note 7 for a further description of the full-year expectations.



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## Road & Logistics

NTG was founded on Road & Logistics in the Nordics, and today NTG is the fourth largest player in the region. In the first nine months of 2019, Road & Logistics accounted for 78% of NTG's revenue and 84% of adj. EBIT.

### Net revenue

Market development during the quarter started well with strong demand in July. In August and September demand stagnated, mainly driven by the general economic development in continental Europe and adverse market conditions for the automotive industry.

Road & Logistics grew by 8% in Q3 2019, driven by 5% organic growth. For the first nine months of 2019, the division achieved net revenue of DKK 3,064 million, representing a growth rate of 15%, with 6% organic growth.

The acquisitive growth relates to Gondrand, DAP (UK), NS Transcargo (NTG Nielsen & Sørensen) and Combino East (NTG Frigo East).

The organic revenue growth was mainly driven by subsidiaries in Sweden and Denmark.

### Gross profit

Gross profit for the period was DKK 569 million, resulting in a gross margin of 18.6%, in line with the 18.7% realised in H1 2019. However, the dampened market demand has led to general margin pressure across most geographies.

### SELECTED FINANCIAL INFORMATION

(DKK '000)	2019 Q3	2018 Q3	2019 YTD	2018 YTD
		Excl. IFRS 16		Excl. IFRS 16
Net revenue (external)	1,025,009	951,165	3,064,516	2,663,273
Gross profit	188,169	166,886	568,815	461,503
Adj. EBIT	41,631	41,434	124,796	120,304
Operating margin	4.1%	4.4%	4.1%	4.5%
Conversion ratio	22.1%	24.8%	21.9%	26.1%

### EBIT before special items (adj. EBIT)

Adj. EBIT for the division was DKK 42 million for the period, in line with Q3 2018, but including a positive effect from IFRS 16 of DKK 3 million (DKK 8 million YTD). Road & Logistics has generally seen a performance increase across its subsidiaries, but results have been dampened by a few loss-making entities during the period. The performance issues in these entities are being addressed.

The seven mature subsidiaries, who have completed their equity swap, have increased their adj. EBIT by a total of 20% in the first nine months of 2019. The seven subsidiaries accounted for 71% of the adj. EBIT result for the first nine months of 2019.



## Air & Ocean

With a solid base in Road & Logistics, NTG created a dedicated Air & Ocean division in 2016. Air & Ocean has developed rapidly since then and remains in a growth phase. In the first nine months of 2019 Air & Ocean accounted for 22% of revenue and 14% of adj. EBIT.

### Net revenue

The market for air freight has been soft throughout Q3 2019, mainly driven by decreasing volumes. Demand for ocean freight was stable with some positive sentiment.

Air & Ocean achieved a revenue growth of 13% for the quarter, with 9% organic growth.

Net revenue for the first nine months of 2019 was DKK 867 million, representing growth of 42%, including 11% organic growth.

The acquisitive growth mainly relates to the Gondrand companies and DAP (UK).

Organic growth during the quarter was mainly driven by start-ups in Turkey and the US as well as growth-stage companies in Sweden and Denmark.

### Gross profit

Gross profit for the period was DKK 80 million, equal to a gross margin of 26.4%, which represents an increase from the 25.7% realised in H1 2019.

### SELECTED FINANCIAL INFORMATION

(DKK '000)	2019 Q3	2018 Q3 Excl. IFRS 16	2019 YTD	2018 YTD Excl. IFRS 16
Net revenue (external)	303,092	267,801	866,749	609,727
Gross profit	80,155	69,796	224,801	159,317
Adj. EBIT	8,990	7,827	20,308	14,710
Operating margin	3.0%	2.9%	2.3%	2.4%
Conversion ratio	11.2%	11.2%	9.0%	9.2%

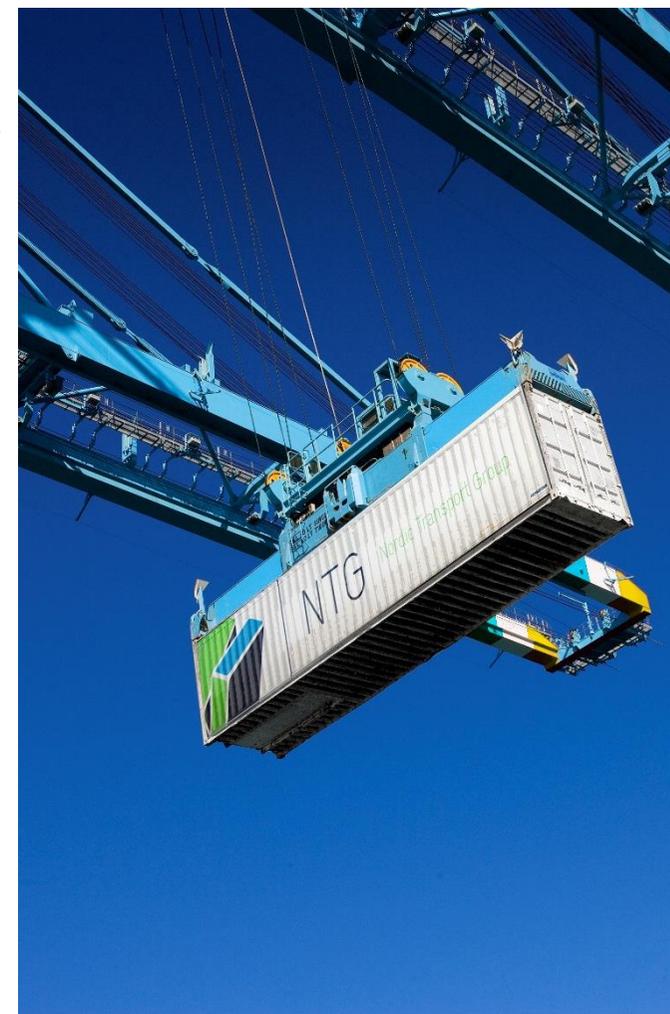
### EBIT before special items (adj. EBIT)

Adj. EBIT for the period was DKK 9 million, compared to DKK 8 million in Q3 2018. Air & Ocean has not been materially impacted by IFRS 16 for the quarter (below DKK 1 million YTD).

The increase was mainly driven by the Netherlands as well as growth-stage companies in Denmark and Sweden.

Operating margin was 3.0% in Q3 2019, representing an increase from 2.0% in H1 2019.

Conversion ratio for the first nine months was 9.0%, representing an increase from 7.8% in H1 2019.



# Interim financial statements

## INCOME STATEMENT

(DKK '000)	2019 Q3	2018 Q3 Excl. IFRS 16	2019 YTD	2018 YTD Excl. IFRS 16
Net revenue	1,328,104	1,219,020	3,931,281	3,273,139
Direct costs	-1,059,649	-982,305	-3,137,503	-2,652,207
<b>Gross profit</b>	<b>268,455</b>	<b>236,715</b>	<b>793,778</b>	<b>620,932</b>
Other external expenses	-46,424	-58,093	-143,908	-145,501
Staff costs	-136,033	-128,957	-403,514	-336,089
<b>Operating profit before amortizations, depreciations and special items (adj. EBITDA)</b>	<b>85,998</b>	<b>49,665</b>	<b>246,356</b>	<b>139,342</b>
Amortizations and depreciation of intangible and tangible fixed assets	-35,174	-1,546	-98,521	-3,913
<b>Operating profit before special items (adj. EBIT)</b>	<b>50,824</b>	<b>48,119</b>	<b>147,835</b>	<b>135,429</b>
Special items, net	-4,046	119	-17,611	-6,085
Financial income	686	342	1,757	1,031
Financial costs, other	-14,793	-4,804	-38,453	-9,633
<b>Profit before tax</b>	<b>32,671</b>	<b>43,776</b>	<b>93,528</b>	<b>120,742</b>
Tax on profit for the period	-10,592	-12,761	-31,189	-33,265
<b>Profit for the period</b>	<b>22,079</b>	<b>31,015</b>	<b>62,339</b>	<b>87,477</b>
<b>Attributable to:</b>				
Shareholders in NTG A/S	13,203	14,270	38,343	42,915
Non-controlling interests	8,876	16,745	23,996	44,562
<b>Earnings per share</b>				
Earnings per share (DKK)	0.20	0.27	0.59	0.82

## STATEMENT OF OTHER COMPREHENSIVE INCOME

(DKK '000)	2019 Q3	2018 Q3 Excl. IFRS 16	2019 YTD	2018 YTD Excl. IFRS 16
Profit for the period	22,079	31,015	62,339	87,477
<i>Items that may be reclassified to the income statement:</i>				
Foreign exchange adjustments of subsidiaries	-3,061	857	-3,905	-3,392
<i>Items will not be reclassified to the income statement:</i>				
Actuarial adjustments on retirement benefit obligations	-10,951	0	-26,815	0
Tax relating to items that will not be reclassified	0	0	0	0
<b>Other comprehensive income</b>	<b>-14,012</b>	<b>857</b>	<b>-30,720</b>	<b>-3,392</b>
<b>Total comprehensive income</b>	<b>8,067</b>	<b>31,872</b>	<b>31,619</b>	<b>84,085</b>
<b>Attributable to:</b>				
Shareholders in NTG A/S	-159	14,359	8,531	39,339
Non-controlling interests	8,226	17,513	23,088	44,746

## CASH FLOW STATEMENT

(DKK '000)	2019 Q3	2018 Q3	2019 YTD	2018 YTD
		Excl. IFRS 16		Excl. IFRS 16
Operating profit before special items	50,284	48,119	147,835	135,429
Depreciation and amortizations	35,174	1,546	98,521	3,914
Change in working capital etc.	-27,998	8,513	5,330	-53,517
Change in provisions	487	-10,896	-9,796	-18,808
Financial income received	686	342	1,757	1,031
Financial expenses paid	-4,621	-4,804	-14,909	-9,633
Corporation taxes paid	-6,263	-23,331	-47,982	-62,913
Special items	-4,046	119	-17,611	-4,585
<b>Cash flow from operating activities</b>	<b>44,243</b>	<b>19,608</b>	<b>163,145</b>	<b>-9,082</b>
Purchase of intangible assets	115	-59	-863	509
Purchase of property, plant and equipment	-3	-6,963	-3,776	-13,606
Disposal of tangible assets	0	0	9,313	1,240
Acquisition of business activities	0	-11,399	-27,689	-1,485
Changes in other financial assets	874	-933	1,677	1,378
<b>Cash flow from investing activities</b>	<b>986</b>	<b>-19,354</b>	<b>-21,338</b>	<b>-11,964</b>
<b>Free cash flow</b>	<b>45,229</b>	<b>254</b>	<b>141,807</b>	<b>-21,046</b>

## CASH FLOW STATEMENT, continued

(DKK '000)	2019 Q3	2018 Q3	2019 Q3	2018 YTD
		Excl. IFRS 16		Excl. IFRS 16
Repayment of loans	0	0	0	-67,355
Proceeds from loans	0	0	0	0
Repayment of lease liabilities and associated interest	-37,895	0	-106,354	0
Repayments of other financial liabilities	-14,989	926	-48,650	419
<i>Shareholders and non-controlling interests</i>				
Proceeds from issue of share capital	0	0	0	0
Dividends paid to non-controlling interests	-378	0	-10,369	-51,078
Disposal of non-controlling interests	615	-1,576	488	-12,846
<b>Cash flow from financing activities</b>	<b>-52,647</b>	<b>-650</b>	<b>-164,885</b>	<b>-130,860</b>
<b>Cash flow for the period</b>	<b>-7,418</b>	<b>-396</b>	<b>-23,078</b>	<b>-151,906</b>
Cash and cash equivalents at beginning of period	141,485	19,834	157,988	175,907
Cash flow for the period	-7,418	-396	-23,078	-151,906
Currency translation adjustments	-3,061	855	-3,904	-3,708
<b>Cash and cash equivalents at 30 September</b>	<b>131,006</b>	<b>20,293</b>	<b>131,006</b>	<b>20,293</b>



## BALANCE SHEET, assets

(DKK '000)	30/09-2019	31/12-2018 Excl. IFRS 16	30/09-2018 Excl. IFRS 16
Intangible assets	398,151	331,057	329,914
Property, plant and equipment	586,741	58,544	57,547
Other receivables	7,229	8,906	7,029
Deferred tax assets	6,614	4,470	4,316
<b>Total non-current assets</b>	<b>998,735</b>	<b>402,977</b>	<b>398,806</b>
Trade receivables	821,336	729,084	777,035
Other receivables	69,485	83,146	52,509
Cash and cash equivalents	131,006	157,988	20,293
Corporation tax	455	117	1,577
<b>Total current assets</b>	<b>1,022,282</b>	<b>970,335</b>	<b>851,414</b>
<b>Total assets</b>	<b>2,021,017</b>	<b>1,373,312</b>	<b>1,250,220</b>

## BALANCE SHEET, equity and liabilities

(DKK '000)	30/09-2019	31/12-2018 Excl. IFRS 16	30/09-2018 Excl. IFRS 16
Share capital	766	526	526
Reserves	167,730	113,483	112,937
<b>NTG A/S shareholders' share of equity</b>	<b>168,496</b>	<b>114,009</b>	<b>113,463</b>
Non-controlling interests	61,147	93,898	70,210
<b>Total equity</b>	<b>229,643</b>	<b>207,907</b>	<b>183,673</b>
Deferred tax liabilities	2,642	2,892	2,205
Pensions and similar obligations	161,308	135,157	141,130
Provisions	37,401	48,697	48,696
Financial liabilities	19,353	18,167	3,594
Lease liabilities	473,356	0	0
<b>Total non-current liabilities</b>	<b>694,060</b>	<b>204,913</b>	<b>195,625</b>
Provisions	56,683	65,502	50,336
Financial liabilities	5,294	50,346	14,424
Lease liabilities	117,790	0	0
Trade payables	754,591	693,362	673,781
Other payables	138,836	113,168	122,698
Corporation tax	24,120	38,114	9,683
<b>Total current liabilities</b>	<b>1,097,314</b>	<b>960,492</b>	<b>870,922</b>
<b>Total liabilities</b>	<b>1,791,374</b>	<b>1,165,405</b>	<b>1,066,547</b>
<b>Total equity and liabilities</b>	<b>2,021,017</b>	<b>1,373,312</b>	<b>1,250,220</b>

## STATEMENT OF CHANGES IN EQUITY, 2019

(DKK '000)

	Share capital	Share premium	Translation reserve	Retained earnings	NTG A/S shareholder's share of equity	Non-controlling interests	Total equity
<b>Equity at 1 January</b>	<b>526</b>	<b>0</b>	<b>-6,038</b>	<b>119,521</b>	<b>114,009</b>	<b>93,898</b>	<b>207,907</b>
<b>Profit for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>38,342</b>	<b>38,342</b>	<b>23,996</b>	<b>62,338</b>
Net exchange differences recognized in OCI	0	0	-2,996	0	-2,996	-908	-3,904
Actuarial gains/(losses)	0	0	0	-26,815	-26,815	0	-26,815
Tax on other comprehensive income	0	0	0	0	0	0	0
<b>Other comprehensive income, net of tax</b>	<b>0</b>	<b>0</b>	<b>-2,996</b>	<b>-26,815</b>	<b>-29,811</b>	<b>-908</b>	<b>-30,719</b>
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>-2,996</b>	<b>11,527</b>	<b>8,531</b>	<b>23,088</b>	<b>31,619</b>
<i>Transactions with shareholders:</i>							
Dividends distributed	0	0	0	0	0	-10,369	-10,369
Purchase of treasury shares	0	0	0	0	0	0	0
Capital increase	0	0	0	0	0	0	0
Acquisition of shares from non-controlling interests	240	61,180	0	-17,787	43,633	-43,646	-13
Disposal of shares to non-controlling interests	0	0		2,325	2,325	-1,824	501
Other adjustments	0	-61,180	0	61,180	0	0	0
<b>Total transactions with owners</b>	<b>240</b>	<b>0</b>	<b>0</b>	<b>45,718</b>	<b>45,958</b>	<b>-55,839</b>	<b>-9,881</b>
<b>Equity at 30 September</b>	<b>766</b>	<b>0</b>	<b>-9,034</b>	<b>176,766</b>	<b>168,498</b>	<b>61,147</b>	<b>229,645</b>

## STATEMENT OF CHANGES IN EQUITY, 2018

(DKK '000)

	Share capital	Share premium	Translation reserve	Retained earnings	NTG A/S shareholder's share of equity	Non-controlling interests	Total equity
<b>Equity at 1 January</b>	<b>520</b>	<b>0</b>	<b>-341</b>	<b>91,690</b>	<b>91,869</b>	<b>65,696</b>	<b>157,565</b>
<b>Profit for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>42,915</b>	<b>42,915</b>	<b>44,563</b>	<b>87,478</b>
Net exchange differences recognized in OCI	0	0	0	-3,576	-3,576	184	-3,392
Actuarial gains/(losses)	0	0	0	0	0	0	0
Tax on other comprehensive income	0	0	0	0	0	0	0
<b>Other comprehensive income, net of tax</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-3,576</b>	<b>-3,576</b>	<b>184</b>	<b>-3,392</b>
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>39,339</b>	<b>39,339</b>	<b>44,747</b>	<b>84,086</b>
<i>Transactions with shareholders:</i>							
Dividends distributed	0	0	0	0	0	-51,078	-51,078
Purchase of treasury shares	0	0	0	0	0	0	0
Capital increase	0	0	0	0	0	0	0
Net addition of non-controlling interests	6	6,934	0	-24,685	-17,745	10,845	-6,900
Other adjustments	0	-6,934	0	6,934	0	0	0
<b>Total transactions with owners</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>-17,751</b>	<b>-17,745</b>	<b>-40,233</b>	<b>-57,978</b>
<b>Equity at 30 September</b>	<b>526</b>	<b>0</b>	<b>-341</b>	<b>113,278</b>	<b>113,463</b>	<b>70,210</b>	<b>183,673</b>

## 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 2018, with exception of changes stated below. Reference is made to note 1.1 of Nordic Transport Group’s 2018 Annual Report for a description of accounting policies. For a definition of financial key figures and financial ratios, please see page 72 of Nordic Transport Group’s 2018 Annual Report.

Nordic Transport Group has implemented all new EU-approved standards and interpretations effective as of 1 January 2019. Of these standards and interpretations, only IFRS 16 has had a material impact on Nordic Transport Group’s Financial Statements.

#### IFRS 16

Effective 1 January 2019, Nordic Transport Group applied the new reporting standard on Leases, IFRS 16. Implementation of the standard has had a material effect on Nordic Transport Group’s financial statements, as the distinction between operating and finance leases is removed. Under IFRS 16, all leases (including leases previously classified as off-balance

sheet in accordance with IAS 17) are recognized in the balance sheet as right-of-use assets and with corresponding lease liabilities. Recognition occurs at the date on which the leased assets are available for use by Nordic Transport Group. Nordic Transport Group transitioned to IFRS 16 in accordance with the modified retrospective approach. Consequently, previous period comparative figures will not be adjusted in the financial statements.

Nordic Transport Group applied the following practical expedients during the implementation of IFRS 16:

- Previously applied assessments of lease contract classification in accordance with IAS 17 were maintained. Classification of existing leases as either financial or operational leasing arrangements were not reassessed at the implementation date. Contracts which previously were determined as not containing a lease in accordance with IAS 17 were not reassessed.
- Leasing contracts with a remaining term of 12 months or less from the implementation date, 1 January 2019, were exempted from the implementation of IFRS 16.

Nordic Transport Group applies the following practical expedients from IFRS 16 on all existing and new leasing contracts:

- Groups of lease contracts displaying similar characteristics are discounted using a single discount rate per lease contract group

- Service components part of leasing contracts are not included in the calculation of right-of-use assets and corresponding lease liabilities. These costs will be recognized in the income statement as incurred
- No right-of-use asset or lease liability is recognized for leases with terms of 12 months or less and leasing contracts of low value. These costs will be recognized in the income statement as incurred

Nordic Transport Group’s 2018 Annual Report showed an operating lease commitment of DKK 823,435 thousand at 31 December 2018. The disclosed operating lease commitment at 31 December 2018 is bridged to the calculated lease liabilities in accordance with IFRS 16 as follows.

<b>(DKK ‘000)</b>	
Disclosed operating lease commitment 31 December 2018	823,435
Adjustment for service components	-5,340
Short-term and low value leases (recognized as incurred)	-16,558
Financial leases	-8,326
Discount effect 1 January 2019	-210,094
<b>Lease liability recognized 1 January 2019</b>	<b>583,117</b>
Current	141,332
Non-current	441,785

### Note 1, continued

A weighted average incremental borrowing rate of 5.4% was applied.

At transition, financial liabilities increased by DKK 583,117 thousand to DKK 651,630 thousand, while property, plant and equipment increased by DKK 540,034 to DKK 598,578.

No restatement of comparison figures was carried out, apart from the inclusion of additional line items in the balance sheet statement representing lease liabilities and an additional line item in the income statement representing financial costs related to lease liabilities.

No other new standards or interpretations have had effect on the financial statements of Nordic Transport Group.

## Note 2 – Segment information and net revenue

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

(DKK '000)	Road & Logistics		Air & Ocean		Eliminations etc.		Total	
	2019 Q3	2018 Q3	2019 Q3	2018 Q3	2019 Q3	2018 Q3	2019 Q3	2018 Q3
Segment revenue	1,032,896	949,493	303,977	266,545	56	73	1,336,929	1,216,111
Revenue (between segments)	-7,887	1,672	-885	1,256	-53	-19	-8,825	2,909
Revenue (external)	1,025,009	951,165	303,092	267,801	3	54	1,328,104	1,219,020
<b>Gross Profit</b>	<b>188,169</b>	<b>166,886</b>	<b>80,155</b>	<b>69,796</b>	<b>131</b>	<b>32</b>	<b>268,455</b>	<b>236,715</b>
Amortization and depreciation	-32,002	-591	-2,582	-815	-590	-140	-35,174	-1,546
<b>Operating profit before special items</b>	<b>41,631</b>	<b>41,434</b>	<b>8,990</b>	<b>7,827</b>	<b>203</b>	<b>-1,142</b>	<b>50,824</b>	<b>48,119</b>

(DKK '000)	Road & Logistics		Air & Ocean		Eliminations etc.		Total	
	2019 YTD	2018 YTD	2019 YTD	2018 YTD	2019 YTD	2018 YTD	2019 YTD	2018 YTD
Segment revenue	3,083,444	2,687,090	868,857	615,459	170	219	3,952,471	3,302,768
Revenue (between segments)	-18,928	-23,817	-2,108	-5,732	-154	-80	-21,190	-29,629
Revenue (external)	3,064,516	2,663,273	866,749	609,727	16	139	3,931,281	3,273,139
<b>Gross Profit</b>	<b>568,815</b>	<b>461,503</b>	<b>224,801</b>	<b>159,317</b>	<b>162</b>	<b>112</b>	<b>793,778</b>	<b>620,932</b>
Amortization and depreciation	-89,584	-2,675	-7,118	-925	-1,819	-313	-98,521	-3,913
<b>Operating profit before special items</b>	<b>124,796</b>	<b>120,304</b>	<b>20,308</b>	<b>14,710</b>	<b>2,731</b>	<b>415</b>	<b>147,835</b>	<b>135,429</b>

**Note 2, continued**

<b>Revenue (DKK '000)</b>	<b>2019 Q3</b>	<b>2018 Q3</b>
Denmark	489,815	451,494
Sweden	207,841	191,527
Germany	170,978	181,095
Finland	128,425	118,525
Other countries	331,045	276,379
<b>Total</b>	<b>1,328,104</b>	<b>1,219,020</b>

<b>Revenue (DKK '000)</b>	<b>2019 YTD</b>	<b>2018 YTD</b>
Denmark	1,431,623	1,245,931
Sweden	616,012	559,934
Germany	539,738	407,227
Finland	395,989	396,423
Other countries	947,919	663,624
<b>Total</b>	<b>3,931,281</b>	<b>3,273,139</b>

### Note 3 - Leases

Contracts are assessed at inception to determine whether Nordic Transport Group is entering a lease. If a lease is identified, a right-of-use asset and a corresponding lease liability are recognized 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 Nordic Transport Group.

Right-of-use assets are initially measured at cost, equivalent to the relevant recognized 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 amortized 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.

All right-of-use assets are presented in the balance sheet as part of the line item Property, plant and equipment.

(DKK '000)	Land & buildings	Other plant and equipment	Total
Opening balance 1 January 2019	0	0	0
Impact of IFRS 16 implementation	332,896	207,138	540,034
Additions during the period	25,136	80,261	105,397
Disposals during the period	0	-10,191	-10,191
Depreciation for the period	-33,610	-59,740	-93,350
Foreign currency translation	-2,533	-1,698	-4,231
<b>Carrying amount at 30 September 2019</b>	<b>321,889</b>	<b>215,770</b>	<b>537,659</b>



#### Note 4 – Acquisition and disposal of entities

##### Acquisition during the year – D.A.P. (UK)

By 1 January 2019 Nordic Transport Group acquired a 100% ownership interest in UK-based freight forwarder D.A.P. (UK). The acquisition increases Nordic Transport Group's presence in a new geographical market and increases activity in both of Nordic Transport Group's business segments.

The total consideration consists of a cash payment of DKK 35 million in addition to a contingent consideration. The contingent consideration is determined over a period of 3 years from the acquisition date with vesting each year during the 3-year period. For each vesting year, the contingent consideration is determined using three input factors: 1) the acquisition's financial performance during the vesting year, 2) Nordic Transport Group's financial performance during the vesting year, and 3) Nordic Transport Group's average market capitalization during the vesting year. At 30 September 2019, the assessed fair value of the contingent consideration totals DKK 32 million.

Adjusted for the fair value of acquired cash and cash equivalents of DKK 7,609 thousand, the net cash flow amounted to DKK 27,689 thousand (outflow).

During the 9 months after the acquisition date, the acquisition contributed with DKK 79,097 thousand to

the Groups revenue and DKK 624 thousand to the result after tax.

Integration of D.A.P. (UK) is still ongoing, and consequently net assets and goodwill may be adjusted, and off-balance sheet items may be recognized for up to 12 months after the acquisition date 1 January 2019, in accordance with the provisions of IFRS 3.

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

Fair value of acquired trade receivables and other receivables amounts to DKK 24,308 thousand. Collectability of receivables has been assessed based on Group credit assessment policies. In total DKK 101 thousand has been provided for as doubtful trade receivables.

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

(DKK '000)	Fair values at date of acquisition
Property, plant and equipment	252
Trade receivables	19,588
Other receivables	4,720
Cash and cash equivalents	7,609
<b>Total assets</b>	<b>32,169</b>
Deferred tax	67
Financial liabilities	3,404
Trade payables	16,661
Corporation tax	1,441
Other payables	9,429
<b>Total liabilities</b>	<b>31,002</b>
<b>Acquired net assets</b>	<b>1,167</b>
Fair value of total consideration	67,398
<b>Goodwill arising from the acquisition</b>	<b>66,231</b>

**Note 5 – Related party transactions**

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 Nordic Transport Group.

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

<u>(DKK '000)</u>	<u>2019 YTD</u>	<u>2018 YTD</u>
Sale of services to related parties	131	250
Purchase of other services from related parties	-9,300	-4,403
Rent and leasing obtained from related parties	-13,274	-13,496
Loan payments from related parties	0	24,000
Loan and interest payments to related parties	-749	-121,908

### Note 6 – Earnings per share

Earnings per share is calculated as stated below (comparative figures are adjusted to account for a stock split, reducing the nominal value per share from DKK 1.00 to DKK 0.01).

	<b>2019 Q3</b>	<b>2018 Q3</b>	<b>2019 YTD</b>	<b>2018 YTD</b>
Profit for the period, shareholders in NTG A/S (DKK '000)	13,203	14,270	38,343	42,915
Average number of shares ('000 shares)	64,587	52,300	64,587	52,300
<b>Earnings per share, EPS for the period</b>	<b>0.20</b>	<b>0.27</b>	<b>0.59</b>	<b>0.82</b>

## Note 7 – Events after the balance sheet date

### Listing of Nordic Transport Group

On 7 October 2019, all shares in Nordic Transport Group A/S were acquired by the non-operational listed company NTG Nordic Transport Group A/S (formerly: Neurosearch A/S). Thereby Nordic Transport Group A/S indirectly achieved a listing on Nasdaq Copenhagen. The business of Nordic Transport Group continues to be carried out by the new combined entity, with NTG Nordic Transport Group A/S as the new ultimate parent company. Shareholders of Nordic Transport Group A/S prior to the transaction were compensated with newly issued shares in NTG Nordic Transport Group A/S (formerly: Neurosearch A/S). The transaction, including determination of the volume of consideration shares issued, is further described in company announcement no. 28 of 7 October 2019. Reference is made to this announcement and the prospectus of 24 September 2019 (available on [investor.ntg.dk](http://investor.ntg.dk)) for further details regarding the transaction. The remainder of this section will describe the *accounting consequences* of the transaction with respect to the provisions and requirements of IFRS.

Due to the nature of the transaction, Nordic Transport Group is identified as the *accounting acquirer*, whereas NTG Nordic Transport Group A/S (formerly: Neurosearch A/S) is the *accounting acquiree*. Emphasis was placed on the following 3 material indicators: 1) former shareholders of Nordic Transport Group A/S

retain the largest portion of ownership in the combined entity, 2) after the transaction, Nordic Transport Group's business constitutes the only business activity of the combined entity, and 3) the existing members of Nordic Transport Group's Board of Directors and Executive Board dominate the governing body of the combined entity.

In the consolidated financial statements of Nordic Transport Group (post transaction), the transaction is accounted for as a *reverse acquisition*. Accounting consequences in the consolidated financial statements of Nordic Transport Group will be the following:

- The former shareholders in Neurosearch A/S receive – from an accounting perspective – a consideration equal to their share of Nordic Transport Group A/S upon completion of the transaction. Provisional calculations indicate a fair value of DKK 110 million
- Shareholders in NTG Nordic Transport Group A/S (formerly: Neurosearch A/S) immediately prior to the transaction are – from an accounting perspective – treated as new shareholders with respect to the consolidated financial statements of Nordic Transport Group. This results in a capital increase in Nordic Transport Group equal to fair value of the consideration shares received by former shareholders in NTG Nordic Transport Group A/S (formerly: Neurosearch A/S)
- All assets and liabilities in NTG Nordic Transport Group A/S (formerly: Neurosearch A/S) will be

reassessed to fair value and recognized in Nordic Transport Group's consolidated financial statements from the acquisition date. Provisional reassessments indicate fair value of acquired net assets totalling DKK 51 million

- Fair value of the deemed consideration for the NTG Nordic Transport Group A/S (formerly: Neurosearch A/S) shares is allocated to the identified assets and liabilities of NTG Nordic Transport Group A/S (formerly: Neurosearch A/S). Any part of the consideration that cannot be attributed to acquired assets and liabilities is deemed an *excess value*
- As NTG Nordic Transport Group A/S (formerly: Neurosearch A/S) is not considered a business in terms of IFRS, the excess value cannot be capitalized as goodwill
- Following IFRIC discussions from 2012 and 2013, the excess value arising from a reverse acquisition between a listed shell company and an operational entity cannot be capitalized as an intangible asset in and of itself. IFRIC has specified that any excess value must be expensed in the consolidated income statement of Nordic Transport Group. Provisional calculations indicate an excess value expense of DKK 59 million
- The transaction is not carried out as part of Nordic Transport Group's ordinary course of business. The excess value expense will therefore be treated as a special item in the consolidated financial statements of Nordic Transport Group

### Note 7, continued

If the transaction described above had been carried out before 30 September 2019 (during the quarter), it would have affected the reported income statement as follows:

<b>(DKK million)</b>	<b>2019 YTD Reported</b>	<b>Expected impact</b>	<b>2019 YTD Pro forma</b>
adj. EBIT	148	0	148
Special items	-18	-16	-34
Excess value related to reverse acquisition	0	-59	-59
Financial items, net	-37	0	-37
Tax on profit for the period	-31	0	-31
<b>Profit for the period</b>	<b>62</b>	<b>-68</b>	<b>-13</b>

#### Attributable to:

Shareholders in NTG A/S	38	-68	-37
Non-controlling interests	24	0	24

The costs presented as expected impact above will be recognized during Q4, 2019 in direct connection with completion of the transaction. In addition to the expected impact above, an estimated DKK 6 million will be recognized in the equity statement as costs associated with the resulting capital increase.

### Purchase of a land plot in the Netherlands

On 10 October 2019, Nordic Transport Group purchased a 22,000 sqm land plot located in Moerdijk, the Netherlands. As described in the prospectus dated 24 September 2019 (page 25), Nordic Transport Group was contractually committed to purchase the land plot as part of the Gondrand transaction carried out in 2018. Part of the contractual commitment is to start building on the land plot within two years from the take-over date. The land plot is adjacent to an existing warehouse operated by the Group and was acquired as “phase 2” of a contract securing the existing warehouse’s construction. The purchase price was EUR 3.4 million plus VAT.

It is expected that utilization of the plot will commence as soon as relevant customers for the future warehouse present an adequate volume of business.

In accordance with the Group’s accounting policies, the plot of land is not subject to depreciation.

## 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 Nordic Transport Group A/S for the period 1 January 2019 to 30 September 2019.

The interim consolidated financial statements of 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 Nordic Transport Group A/S' consolidated assets, liabilities and financial position at 30 September 2019 and of the results of Nordic Transport Group A/S' consolidated operations and cash flows for the period 1 January to 30 September 2019.

Furthermore, in our opinion the Management report includes a fair review of the development in 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 Nordic Transport Group A/S faces.

Hvidovre, 27 November 2019

### Executive Board

Christian D. Jakobsen

### Board of Directors

Jesper E. Petersen  
Chairman of the board

Mikkel Fruergaard  
Board member

Christian D. Jakobsen  
Board member