NTG Nordic Transport Group

Annual Report 2021

On track in turbulent times

NTG Nordic Transport Group A/S , Hammerholmen 47, 2650 Hvidovre , Business Reg. (CVR) no. 12546106

Relying on a diverse workforce with locally anchored insights, NTG delivers value to customers by facilitating efficient transport solutions worldwide.

Through its Partnership Model, NTG combines the scale advantages of a large corporation with an entrepreneurial mindset, empowering people and encouraging an **agile, adaptive, and customer-centric** behaviour.

Letter to our stakeholders

A year of remarkable change

While 2021 marked the 10-year anniversary of NTG, the year proved to be an important milestone in the history of NTG in more than one sense. The financial, operational, and organisational progress made in 2021 illustrate the success of the Group and the employees that embody it in rising to the new standards of a disrupted global logistics market.

The financial results for 2021 were the best of NTG to date with EBIT for the first time passing the DKK 500 million mark. The strong financial performance was rooted in both divisions. The Road & Logistics division contributed considerably to NTG's expansion with four acquisitions completed, adding approximately DKK 1 billion in revenue on an annualised basis. High organic growth was driven by strong demand and capacity shortages in the Road & Logistics division, while adaptability to the unprecedented market conditions led to significant growth and progress in the Air & Ocean division during the year.

By the end of 2021, we were pleased to observe that NTG qualified for inclusion in the Nasdaq Copenhagen Large Cap Index, two years after the listing of NTG, with effect from January 2022.

Sustainability was another key theme of 2021 that attracted increasing attention from a diverse range of internal and external stakeholders. In 2021, NTG took significant steps to confirm our ESG commitment by becoming signatory of the United Nations Global Compact. On top of this, we are pleased to launch NTG's first stand-alone sustainability report presenting our status and progress on the sustainability agenda.

We are grateful to all NTG employees for their dedication and to our customers, business partners, and other stakeholders for their support and collaboration in what became a remarkable year.

Yours sincerely

Eivind Kolding
Chairman of the Board

Michael Larsen
Group CEO

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M&A

With four acquisitions completed in 2021, NTG has made 27 acquisitions since inception in 2011.

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Business model

NTG's business model is rooted in empowerment, decentralisation and collaboration.

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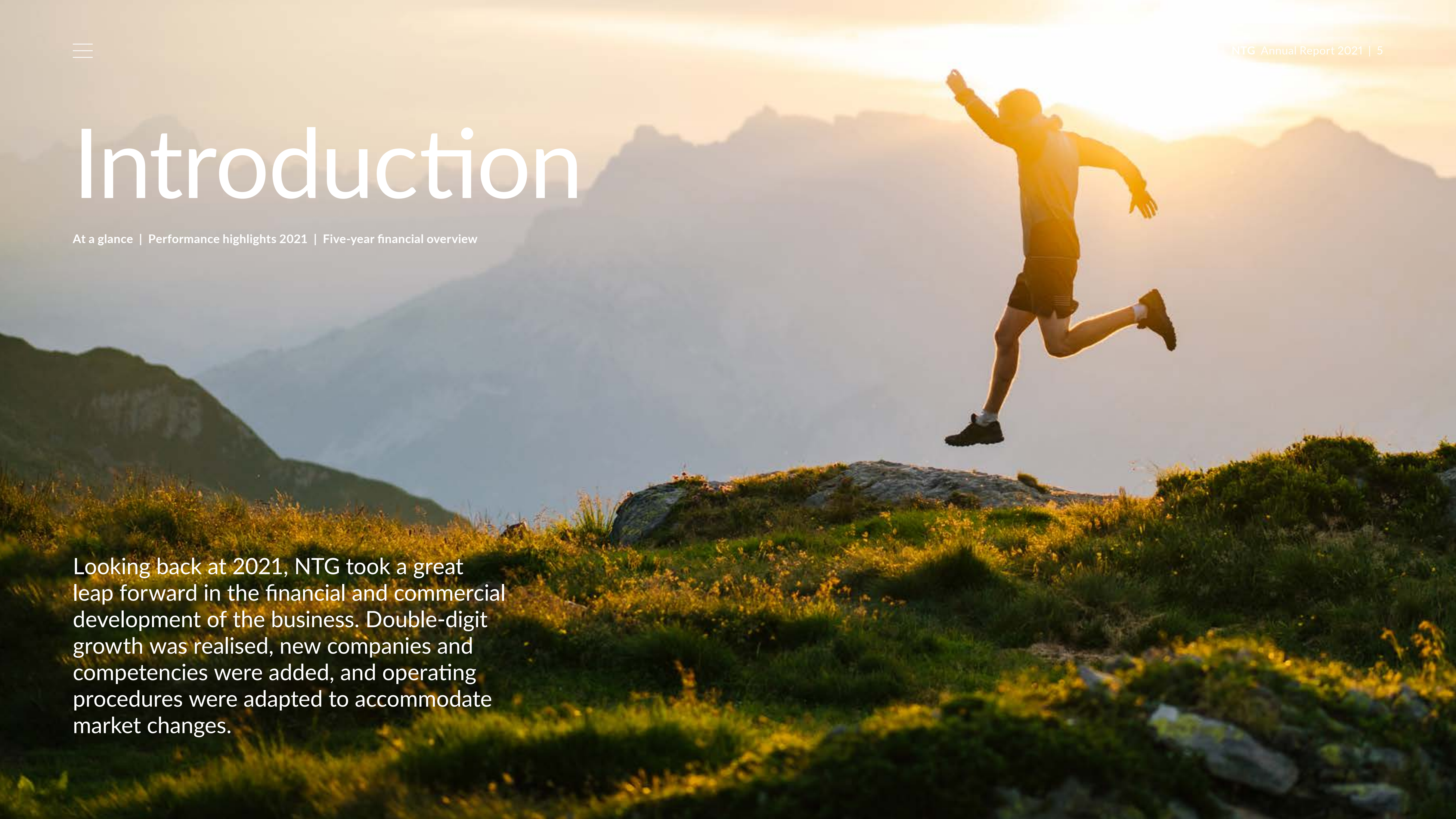


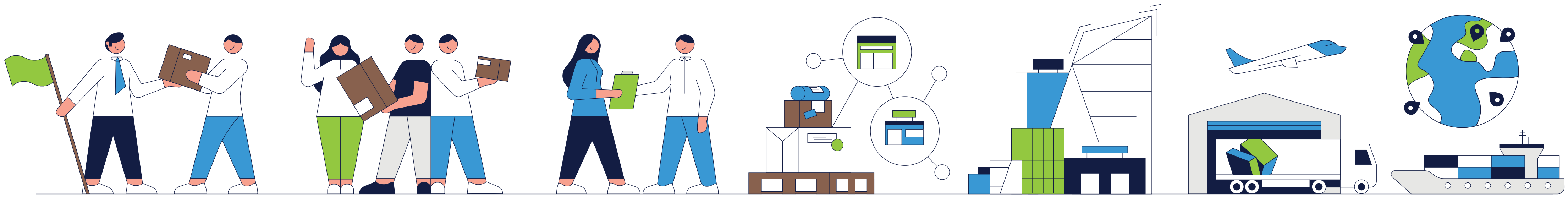
Introduction

At a glance | Performance highlights 2021 | Five-year financial overview

Looking back at 2021, NTG took a great leap forward in the financial and commercial development of the business. Double-digit growth was realised, new companies and competencies were added, and operating procedures were adapted to accommodate market changes.

At a glance

NTG is an asset-light freight forwarder offering customised transport solutions by road, rail, air, and ocean. With a global reach based on local presence in multiple countries, and an international network of partners, we act as coordinator, planner, and negotiator creating value for our customers by optimising their supply chains.



2011
NTG is founded
based on the principles of empowerment and decentralisation

~1,900
Employees
who embody NTG in everything we do

~200
Partners
with ownership in local subsidiaries or shares in NTG

~70
Subsidiaries
with operational activities and locally anchored expertise

27
Acquisitions
made since inception

2
Divisions
Road & Logistics and Air & Ocean

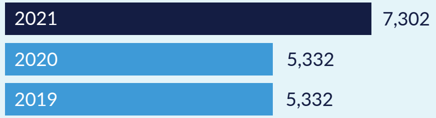
23
Countries
with operations

Performance highlights 2021

Net revenue

7,302

(DKKm)

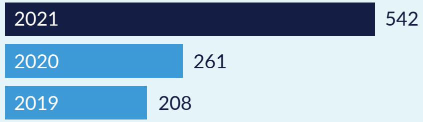


2021 guidance of DKK 7,000-7,300 million.

Adjusted EBIT

542

(DKKm)

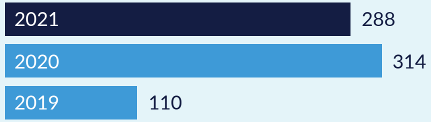


2021 guidance of DKK 520-550 million.

Adjusted free cash flow

288

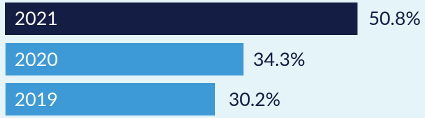
(DKKm)

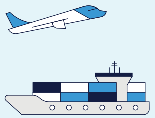


Return on invested capital before tax

50.8%

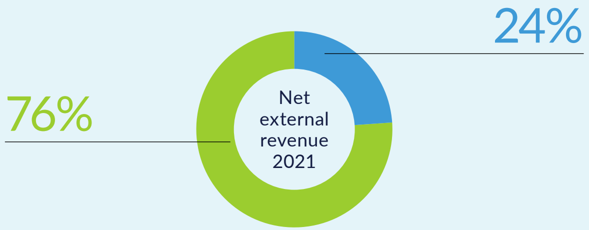
(% of average invested capital)

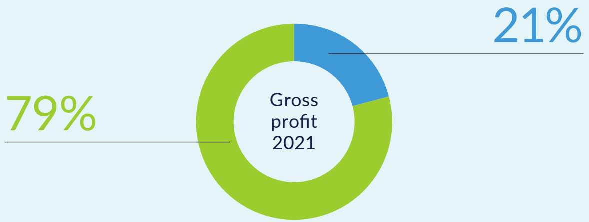


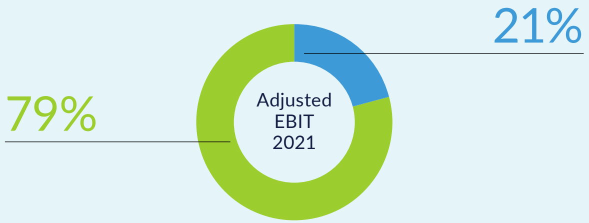


Road & Logistics

Air & Ocean







Five-year financial overview

(DKKm)	2021	2020	2019	2018	2017
Income statement					
Net revenue	7,301.9	5,332.2	5,332.0	4,512.1	2,896.2
Gross profit	1,592.1	1,238.4	1,086.5	876.6	546.0
Operating profit before amortisations,depreciations and special items (adj.EBITDA)	699.1	429.3	344.6	196.8	160.3
Operating profit before special items (adj. EBIT)	542.0	260.7	208.0	189.2	157.6
Special items, net	-4.2	-5.4	-104.2	-17.6	-1.2
Net financial items	-60.4	-45.3	-49.3	-14.8	-7.7
Profit for the year	385.3	148.8	8.3	111.5	111.5
Earnings per share (DKK)	15.64	5.61	-0.64	N/A	N/A
Diluted earnings per share (DKK)	15.35	5.61	-0.64	N/A	N/A
Cash flow statement					
Operating activities	461.6	463.3	201.5	117.4	82.8
Investing activities	-166.7	-158.5	-52.3	-19.6	-36.5
Free cash flow	294.9	304.8	149.2	97.7	46.2
Adjusted free cash flow	288.3	314.2	110.0	115.3	78.3
Financing activities	-438.2	-248.8	-126.7	-108.9	-47.7
Cash flow for the year	-143.3	56.0	22.5	-11.1	-1.5

(DKKm)	2021	2020	2019	2018	2017
Balance sheet statement					
Additions to property, plant and equipment (excl. IFRS 16)	12.0	4.8	37.3	17.8	17.7
Balance sheet total	3,241.8	2,328.2	2,029.6	1,373.3	771.4
Net working capital	-186.6	-208.1	-99.5	-97.8	-35.1
Net interest-bearing debt*	780.2	420.4	448.4	493.6	
Net interest-bearing debt (excl. IFRS 16)	24.7	-196.2	-126.9	-89.5	-96.5
Invested capital*	1,339.6	794.0	728.3	647.8	
Total equity	633.9	393.0	288.4	207.9	157.6
NTG Nordic Transport Group A/S' shareholders' share of equity	557.7	332.3	240.4	114.0	91.9
Non-controlling interests	76.2	60.7	48.0	93.9	65.7
Financial ratios					
Gross margin	21.8%	23.2%	20.4%	19.4%	18.9%
Operating margin	7.4%	4.9%	3.9%	4.2%	5.4%
Conversion ratio	34.0%	21.1%	19.1%	21.6%	28.9%
ROIC before tax**	50.8%	34.3%	30.2%		
Return on equity	75.0%	43.7%	3.4%	61.0%	95.6%
Solvency ratio	19.6%	16.9%	14.2%	15.1%	20.4%
Leverage ratio	1.12	0.98	1.30		
Employees					
Average number of employees	1,621	1,482	1,380	1,349	734

* Presented 2018 figures for net interest-bearing debt and invested capital includes, respectively, DKK 583.1 million on lease liabilities and DKK 540.0 million on right-of-use assets from implementation of IFRS 16 in 2019. Refer to the Group's 2019 Annual Report, note 1.1 for further description of the change in accounting practice related to implementation of IFRS 16 in 2019.

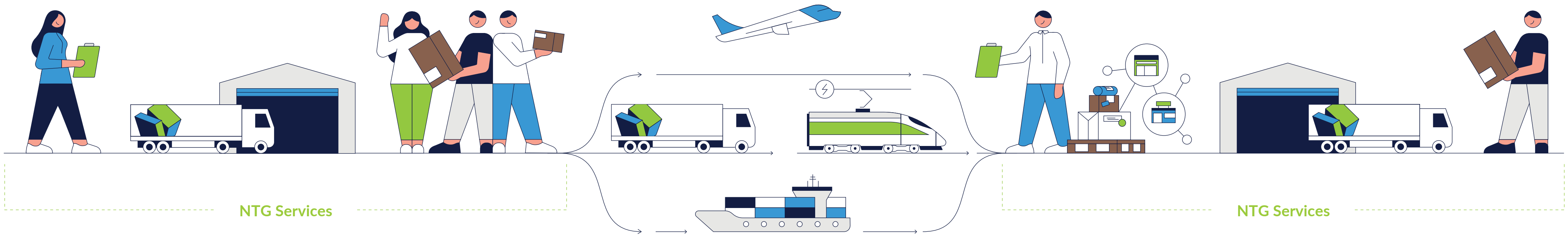
** ROIC before tax is calculated using invested capital including right-of-use assets. The ratio is not presented before 2019, as figures will not be comparable following the material effects caused by implementation of IFRS 16 in 2019

Strategy and targets

The employees of NTG continued a speedy course in 2021, demonstrating team spirit and efforts to support customers in a fast-paced and ever-evolving environment.

Our business model

Freight forwarding is a people's business, and the employees of NTG are our greatest asset. That is why our business model is rooted in the **empowerment** of employees, **decentralisation** of operations, and **collaboration** across the Group.



Key value drivers

People

Entrepreneurship

Information technology

Knowhow & expertise

Global network

Mergers & acquisitions

Acquisitions are an integral part of NTG's business model, and a catalyst for new capabilities, growth, and value-creation. We invest in freight forwarders to add scale, capabilities, and attract talent. By deploying an acquisitive growth strategy, we enhance our value proposition to customers, shareholders, and other stakeholders.

Building capabilities and scale

NTG pursues acquisitions of asset-light companies within the freight forwarding industry to add scale, services, specialist competencies, and footholds in new markets. By obtaining new capabilities, the breath of the Group's service offering expands, enhancing the overall competitiveness and value proposition of NTG to customers.

With a decentralised operating framework that embeds the merits of smaller players, as well as the scale and diversification benefits of larger players, NTG acts as an incubator for small- to medium-sized targets to accelerate growth while mitigating risks arising out of a change of control situation.

Attracting and retaining talent

NTG is based on the philosophy of freight forwarding being a people's business, reliant on entrepreneurial professionals with an extensive network of relationships to succeed.

In many cases, small- to medium-sized enterprises incubate entrepreneurial talents by offering versatile areas of responsibilities, a flat hierarchy, and opportunities for co-creation.

When profound organisational affiliations exist, acquisitions are a means of attaining such talent more quickly than attracting or developing it internally.

As the globally interconnected operating framework of NTG allows for such affiliations to prevail and prosper, acquisitions generally give rise to enhanced career opportunities for both incumbent and new employees of NTG.

Creating value

By deploying an acquisitive growth strategy to promote consolidation in markets with multiple players too small to achieve scale economies, it is possible to add value by leveraging the scale, abilities, and standardised operating procedures of the Group.

For smaller candidates, primary areas of synergies include savings within procurement and back-office, while larger candidates, often already operating at a scale, generally bring best practices, cross-selling opportunities, and access to new markets, niches, and services, as well as collective procurement benefits driven by increased scale.

Considerations and principles applied in M&A transactions

I. Target freight forwarders with asset-light business models.

II. Focus on scale and competencies that complement existing operations.

III. Identify areas of synergies and future value-creation.

IV. Appoint and incentivise management team.

V. Migration to common IT platform.

VI. Track integration diligently, capture synergies, and accelerate development.

Acquisitions completed in 2021

LGT GROUP
~600 DKKm Revenue 2020

Cargorange	Neptun	Twente
~130 DKKm	~175 DKKm	~50 DKKm
Revenue 2020	Revenue 2019/2020	Revenue 2020

Case in point:
The acquisition of LGT Group

On 16 July 2021, NTG announced the acquisition of LGT Group AB (LGT), a furniture logistics specialist providing tailor-made transportation concepts for furniture manufacturers, importers, wholesalers, and retailers.

LGT's activities are based out of Denmark, Sweden, and Finland. The group operates approximately 135,000 square metres of cross-docking and warehousing facilities that represent the backbone of the group's full-service furniture coverage across the Nordics.

A minor part of the group's operations, located in Bjärnum, Sweden, involves third-party logistics solutions serving several sectors with transport, handling, and warehousing solutions.

Building a new niche

The acquisition of LGT represents the establishment of another niche within NTG's Road & Logistics division that include specialist competences in furniture groupage consignments.

By joining forces with NTG, LGT became set to further develop and scale the business. By enhancing its one-stop-shop offering with NTG's portfolio of cross-European road and logistics and global air and ocean solutions, LGT expanded its offering to include multiple new geographies and services.

While multiple overlaps with the existing business enable cross-selling opportunities across NTG's footprint in the Nordics, the acquisition also represents another distinct platform for organic and acquisitive growth, following finalisation of the integration, like those of NTG's existing niche subsidiaries.

Each entity of LGT continued as a stand-alone subsidiary of NTG. The existing management teams in each subsidiary continued in their current roles and reinvested in the respective local entities in accordance with NTG's Partnership Model.

Annual synergies of approximately DKK 10 million related to volumes redirected to NTG's existing network, procurement synergies, and IT standardisation initiatives are expected following completion of the integration.

For additional information of the acquisition of LGT, reference is made to note 7.1

Revenue 2020:

597 DKKm

EBIT 2020:

47 DKKm

Read the Company announcement on the acquisition of LGT

Horsens Segment	Tibro Segment	Bjärnum Segment	Lahti Segment
Furniture logistics	Furniture logistics	Third-party logistics	Furniture logistics
Share of total revenue (LTM* as per May-21)	Share of total revenue (LTM* as per May-21)	Share of total revenue (LTM* as per May-21)	Share of total revenue (LTM* as per May-21)
~45 %	~40 %	~10 %	~5 %
Employees ~130 FTEs	Employees ~130 FTEs	Employees ~30 FTEs	Employees ~30 FTEs

* LTM = Last Twelve Months

Sustainability

In 2021, NTG became signatory of United Nations Global Compact to formally commit to promoting the ten universally accepted principles within human rights, labour standards, environment, and anti-corruption included in the framework.

NTG intends to work systematically within the UN Global Compact framework with key ESG topics material to the Group to provide substantial actions relevant for our business activities with an ultimate view of creating long-term value for our stakeholders.

NTG's Sustainability Report is part of Management's Review and constitutes our annual Communication on Progress to the UN Global Compact and our statutory reporting on corporate social responsibility, gender composition of senior management, and data ethics as prescribed by sections 99a, 99b, 99d and 107d of the Danish Financial Statements Act. Further, the Sustainability Report contains NTG's reporting on the EU Taxonomy regulation framework to facilitate sustainable investment. The Sustainability Report is availble at https://ntg.com/about/sustainability/.

Environment and climate

As an asset-light freight forwarder, most of NTG's climate impact relates to indirect emissions from transport activities performed by our suppliers. Therefore, we see collaboration with customers and support from suppliers as the most important step in our efforts of reducing our transport-related carbon emissions. When customers want to engage in minimising the environmental impact from their supply chain, we have several opportunities for collaboration with significant results obtainable, including use of vehicles running on alternative fuels offered on specific routes.

Employees

As freight forwarding is a people's business, our employees are central to everything we do, and their dedication and talent are the main assets of the Group. Our business model rooted in an entrepreneurial mindset, decentralisation of operations and cooperation across entities stood the test of time in 2021 with employees being challenged by the ever-evolving and unpredictable pandemic in their efforts of delivering excellent customer service.

Securing a safe, healthy, and evolving workplace, and providing talent-based advancement opportunities for all employees on an equal and non-discriminatory basis are highly important to NTG's future success.

Responsible business practices

NTG is subject to extensive regulatory requirements on anti-corruption, sanctions, import/export control and competition. Our business model, which entails the use of many different suppliers as well as servicing customers world-wide, encapsulates a considerable risk factor. It is imperative for us to be compliant with applicable regulations as we are committed to responsible and ethical business practises. In case of non-compliance, we may face significant fines, claims, and loss of reputation, potentially harming our credibility and relationship with our stakeholders.

Our ability to fulfil these regulatory requirements and maintain our integrity across our value chain is a material subject for NTG. Consequently, we have built a best-in-class legal compliance program which is designed to fulfil global requirements and enables our employees to conduct business in a respectable manner that benefits both our customers and our business partners.

Sustainability Report

NTG launches its first stand-alone Sustainability Report

Powered by people

By promoting an open-minded and adaptive approach, NTG strives to attract and retain talented individuals in the freight forwarding business. Through empowerment and delegation of decision-making and responsibility, NTG relies on competent employees to fulfil our ambition of being customers' preferred transport solutions provider.

Our employees – our greatest asset

Nearly 1,900 highly skilled and dedicated employees are at the heart of NTG's business, far more important than any other asset we make use of. NTG's success depends on engaged, entrepreneurial, and passionate people with profound local insights and an agile and adaptive approach towards servicing our clients. Therefore, the business model of NTG is based on a carefully crafted operating framework to attract, retain, and incentivise employees. The framework is rooted in a mindset of empowering employees to take ownership of the customers they serve, by delegating authority and decision-making.

Employee co-ownership

With our Partnership Model, many of NTG's subsidiaries have been or are partly owned by employees – the partners. NTG believes this setup distinguishes its services from those of its competitors and contributes positively to NTG's efforts of recruiting and retaining talents. The partners are granted commercial responsibility and flexibility within a pre-defined framework, tailored to the dynamics of the individual markets, to cater for local cultures, conditions, and customs. In addition to the Partnership Model, NTG has a retention program in place through a share-based incentive scheme.

Malene Mølgaard

Sales Manager & Partner, NTG Nordic
Part of NTG since 2011

Having embarked upon an exciting journey as the first Sales Manager in NTG Nordic at inception 10 years ago, I have had the privilege of working in a multifaceted position with competent, committed, and entrepreneurial colleagues. Whether trainee or seasoned employee, one's personal drive and efforts of managing many and diverse tasks are appreciated in a fast-paced organisation like NTG. With its informal atmosphere and non-hierarchical structure, NTG is characterised by mutual trust and respect between management and staff.

NTG's values

- We are passionate about customers
- Our people are our greatest asset
- We are entrepreneurial
- We are open-minded
- We are agile and responsive

Heino de Waal

Regional Director, West Road & Logistics
Former Partner and COO in Ebrex
Part of NTG since 2019

I am constantly fascinated by the entrepreneurial spirit pervading NTG. In my role as Regional Director for Road & Logistics in the Area West with four markets, and as a key stakeholder in M&A origination, execution, and integration activities, I have had the pleasure of engaging with knowledgeable, skilled, and seasoned colleagues who demonstrate a high degree of professionalism. 2021 was a challenging year, and I have been proud of heading several business units with extremely experienced and organised people, who have truly demonstrated the value of teamwork.

Mikael Sandenas

Managing Director & Partner, NTG Air & Ocean Sweden
Part of NTG since 2016

The Partnership Model and decentralised structure are unique components of NTG's business model. Operational independence, freedom to seize opportunities, and flexibility and agility of decision-making in combination with strong centralised support – if or when needed – encourage empowerment and retention of business-minded, self-driven people. I believe our staff is the most important asset, and I consider diversity, communicating with honesty, and a trust-based atmosphere crucial for the employees to be responsive and deliver a service level towards our customers that is second to none.

Outlook 2022

For the full-year 2022, we expect a net revenue of DKK 7,800-8,300 million and an adjusted EBIT of DKK 570-630 million.

The outlook for 2022 includes full-year effects of the acquisitions of Cargorange, Twente Express, Neptun Transport, and LGT Group. Financial results in 2021 were positively affected by a DKK 20 million positive one-off effect related to the early termination of a previously impaired lease agreement in Switzerland.

The focus in 2022 will be on a combination of optimisation of existing businesses, cost control, and execution of the growth strategy. The outlook for 2022 assumes a stable macroeconomic environment with no additional material adverse events affecting regional and global cargo volumes and trade patterns.

Medium-term financial targets

In connection with the listing of NTG on Nasdaq Copenhagen on 9 October 2019, medium-term targets were introduced as a supplement to the annual financial outlook. The targets were based on a three-to-five-year horison.

With an adjusted EBIT margin of 7.4% in 2021, NTG delivered a margin above the medium-term target of 4-5%. Based on the development in 2021, NTG hereby introduces a new medium-term financial target replacing all previous targets.

NTG now expects to deliver DKK 1 billion in adjusted EBIT no later than 2027. NTG will strive to achieve the medium-term target with organic growth and M&A, financed by the cash flow and credit facilities of the Company.

The medium-term target is based on a net interest-bearing debt to EBITDA ratio of less than 3.0. The medium-term target does not include assumptions of capital raises in the equity capital markets albeit NTG will continue to evaluate capital increases as a source of funding for larger acquisitions.

The medium-term target is based on the principal assumptions of a stable macroeconomic environment and NTG continuing to develop the business, establish start-ups, and execute its M&A agenda.

2022 Outlook

Revenue

DKK 7,800-8,300 million

DKK 7,302 million in 2021

Adjusted EBIT

DKK 570-630 million

DKK 542 million in 2021

Medium-term financial target

NTG expects to deliver DKK 1,000 million in adjusted EBIT no later than 2027.

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 NTG Nordic Transport Group A/S 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.

Capital structure

The Group's capital structure supports the realisation of NTG's growth targets by maintaining a capital buffer for investments in organic growth, acquisitions, and other strategic initiatives.

Financing

The cash conversion of operational activities is the Group's main source of incoming cash flow, underpinned by an asset-light business model, whereby most operational assets are owned and operated by subcontractors and only trailers and a few warehouses are leased by NTG, and supplemental loan facilities to cover temporary liquidity needs in connection with larger investments.

We target a leverage ratio, defined as net interest-bearing debt including effects of IFRS 16 relative to EBITDA before special items, below 3.0x. This level may be exceeded temporarily following significant acquisitions.

Design of capital structure

The capital structure is designed in accordance with the following medium-term strategic objectives:

- Maintain a leverage ratio in line with the target.
- Secure a sufficient capital buffer for investments in organic growth, acquisitions, and other strategic initiatives.
- Acquire minority shareholders' shares in subsidiaries and obligations under share-based incentive programs.
- Distribute capital in excess of long-term needs to shareholders through share buy-back programs.

The Board of Directors evaluates the capital structure on a recurring basis in relation to the financial position, expected future cash flow, and the ability to engage in value-adding acquisitions. The allocation of capital for acquisitions and share buy-backs takes priority over payment of dividends.

To promote an efficient capital structure, mitigate credit risks, and accommodate the increasing focus on payment terms as a competitive parameter, NTG has entered into a receivables purchase agreement. The agreement took effect in the first quarter of 2022.

Ring-the-bell

Partners owning minority shares in NTG subsidiaries may offer these to the Parent Company following a pre-determined ring-the-bell procedure, cf. Shareholder Information section on page 37. Partners cannot be forced to ring the bell, and no pre-defined initiation of any ring-the-bell process exists. As such, capital requirements to acquire non-controlling interests as part of a given partner's ring-the-bell process are generally not known until one year prior to the date of the first share swap.

Capital requirements to enable future ring-the-bell share swaps are evaluated on an ongoing basis.

Investments

Since the inception of NTG in 2011, all acquisitions have been financed by means of existing capital resources.

In 2022, we primarily intend to use available financial resources and free cash flow to invest in start-ups, acquisitions, and share buy-back programs. In case of larger acquisitions, we will investigate additional sources of funding, including the debt and capital markets or payment in shares.

Dividends

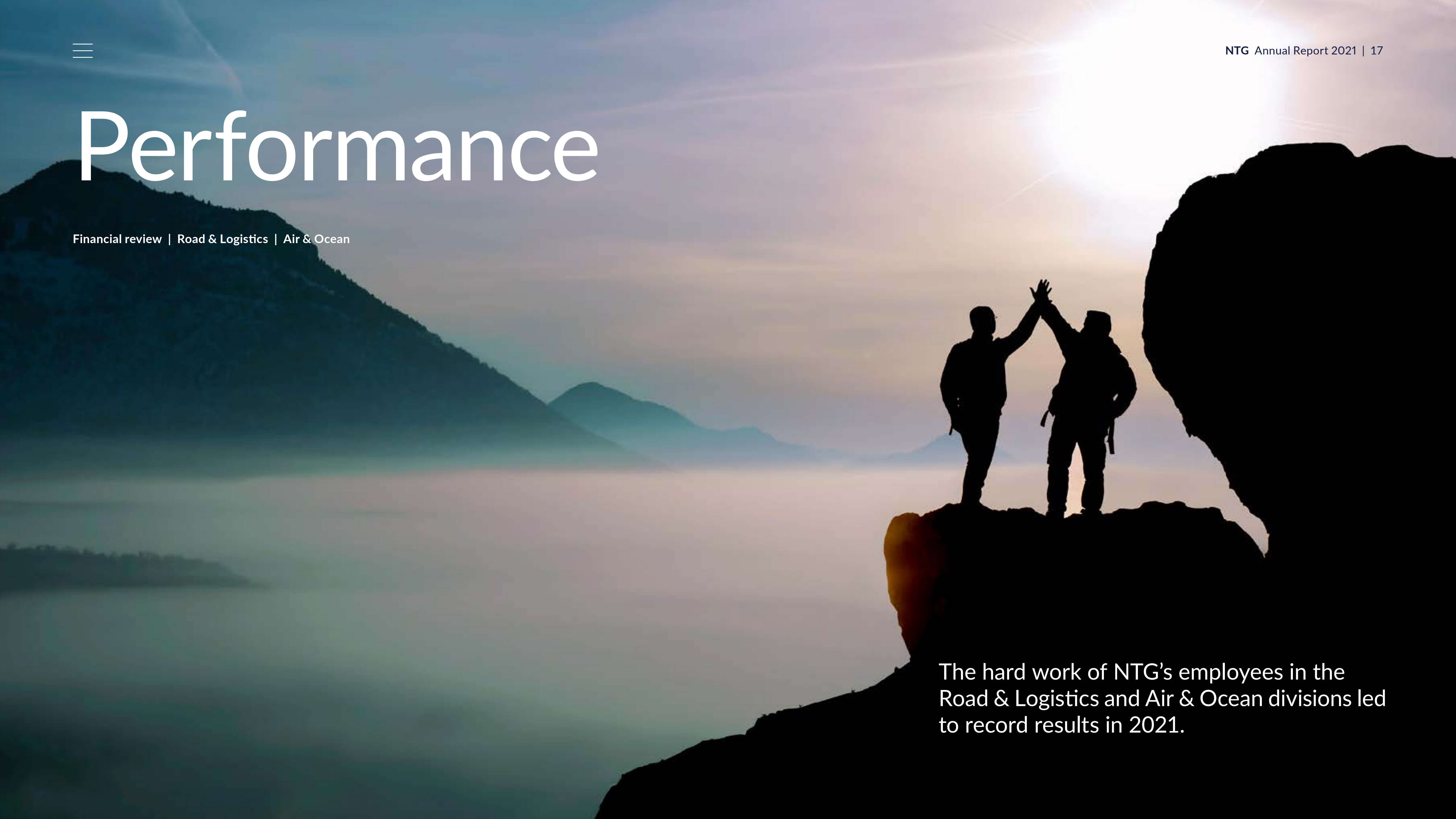
In line with the capital allocation principles, no dividends have been proposed for 2021.

In 2022, available financial resources will be allocated mainly to investments in start-ups, acquisitions, and share buy-back programs.

No dividend payment is proposed for 2021.

Performance

Financial review | Road & Logistics | Air & Ocean



The hard work of NTG's employees in the Road & Logistics and Air & Ocean divisions led to record results in 2021.

Financial review

Net revenue totalled DKK 7,302 million with an adjusted EBIT of DKK 542 million, leading to an operating margin of 7.4 %. Realised financial results for 2021 are in line with the published outlook.

Revenue full-year growth components

	Discontinued activities	Start-ups	Other organic growth	**Total organic growth**	**Mergers & acquisitions**	**Currency translation**	**Total growth**
Total	-2.2%	0.5%	26.5%	24.8%	12.2%	-0.1%	36.9%
Road & Logistics	-1.2%	0.2%	15.5%	14.5%	15.2%	0.1%	29.8%
Air & Ocean	-6.5%	1.5%	71.5%	66.5%	0.0%	-0.6%	65.9%

Condensed income statement (DKKm)

	2021	**2020**
Net revenue	7,301.9	5,332.2
Direct costs	-5,709.8	-4,093.8
Gross profit	**1,592.1**	**1,238.4**
Other external expenses	-209.5	-219.5
Staff costs	-683.5	-589.6
Adj. EBITDA	**699.1**	**429.3**
Amortisations and depreciations	-157.1	-168.6
Adj. EBIT	**542.0**	**260.7**
Gross margin	21.8%	23.2%
Operating margin	7.4%	4.9%
Conversion ratio	34.0%	21.1%

Financial performance

Both divisions presented strong revenue development in 2021 concurrently with improved results, leading to top-line growth of 36.9 % and an increase in adjusted EBIT of 107.9 % compared to 2020. Development of existing business was the main growth driver, whereas acquisitions further contributed to expanding NTG's footprint. Restructuring of low-performing business areas provided a slight revenue deterioration.

Market volatility, capacity shortage and increased pressures on input factor prices yielded a gross margin of 21.8 %, representing a decline of 1.4 percentage points from 2020. Focus on efficient use of resources and hard work from all employees raised the Group's operating margin to 7.4 %, up from 4.9 % in 2020.

Adjusted cash flow for 2021 came to DKK 288 million, representing a decrease of DKK 26 million since 2020, mainly caused by higher working capital commitment in the Air & Ocean division stemming from increased activity and a shift of payment terms in the post-COVID marketplace.

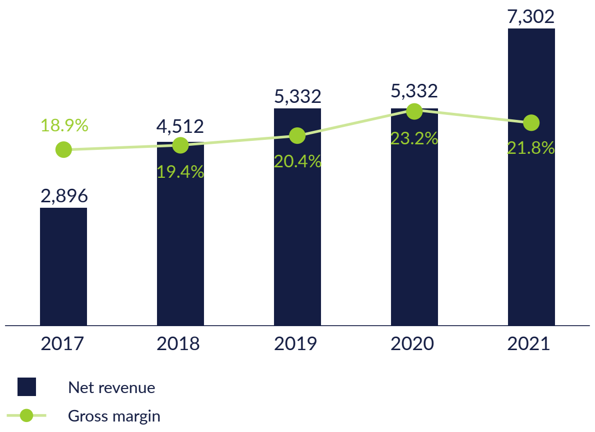
ROIC landed on 50.8 % driven by the increase in EBIT partly offset by the four acquisitions in the Road & Logistics Division throughout the year.

Integration of companies acquired in 2021 is progressing as planned. Special items expenses of DKK 4 million mark the finalised integration of acquisitions from 2020.

Although the acquisition of LGT in Q3 had a significant upward effect on NIBD, the Group's leverage ratio including effects of IFRS 16 remained at 1.1x EBITDA before special items.

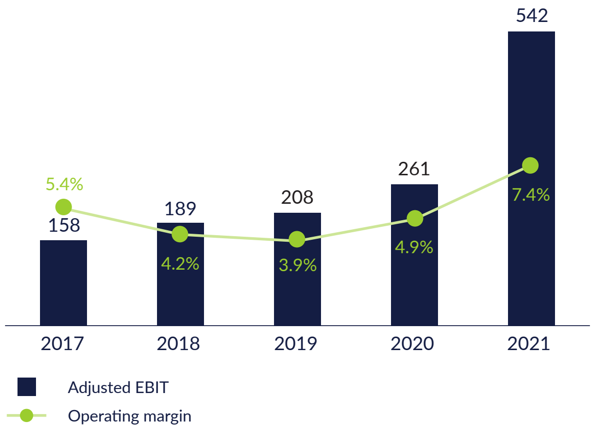
Net revenue and Gross margin

(DKKm)



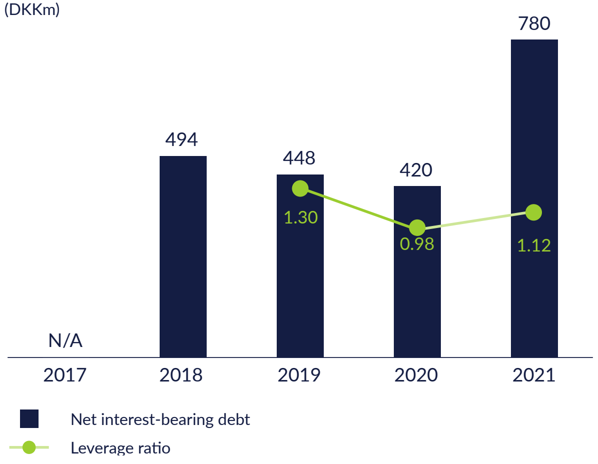
Adjusted EBIT and Operating margin

(DKKm)



Net interest-bearing debt and Leverage ratio

(DKKm)



Income

Net revenue totalled DKK 7,302 million in 2021 (2020: DKK 5,332 million), corresponding to a growth of 36.9 %. Organic growth was 27.0 %, driven by higher market activity resulting in a general rise in freight prices and increase in volumes. Acquisition growth was 12.2 %, driven by the addition of LGT, Cargorange, Neptun and Twente and to a lesser extent full-year effect of acquisitions in 2020. Close-down of activities affected growth by negative 2.2 %, whereas currency fluctuations affected growth by negative 0.1 %.

NTG experienced growth on all the Group's largest geographical markets, mainly driven by Denmark (27.7 %), Germany (37.2%), Sweden (45.1 %), and Finland (47.4 %). Certain countries with limited NTG presence saw a decline in revenue following discontinuation of non-profitable activities.

The Road & Logistics division contributed a total growth of 29.8 %, affected by acquisitions and organic growth in equal measures.

The Air & Ocean division contributed a total growth of 65.9 %, mainly driven by the increase in pass-through freight rates.

Gross profit totalled DKK 1,592 million in 2021 (2020: DKK 1,238 million), providing a gross margin of 21.8 % (2020: 23.2 %). The decline in gross margin was affected by an increase in input factor prices, mainly market rates in the Air and Ocean segments, and to a lesser extent rise in diesel prices. Acquisitions during the year provided a net positive impact on gross margins.

Other external expenses totalled DKK 210 million in 2021 (2020: 220 million). The decrease was affected by discontinuation of non-profitable activities, offset by acquisitions completed during the year.

Staff costs totalled DKK 684 million in 2021 (2020: DKK 590 million). The increase was mainly due to inclusion of new acquisitions completed in 2021 and launch of new services, partly offset by discontinued activities.

Amortisation and depreciation totalled DKK 157 million in 2021 (2020: DKK 169 million). The development was mainly related to depreciation of right-of-use assets under IFRS 16. Addition of depreciation on right-of-use assets from acquisitions completed in 2021 were more than offset by a net positive one-off effect

107.9%

Growth in adjusted EBIT from 2020 to 2021 from the early termination of a previously impaired lease agreement in Switzerland.

Adjusted EBIT totalled DKK 542 million in 2021 (2020: 261 million) providing an operating margin of 7.4 % (2020: 4.9 %). Road & Logistics contributed a further DKK 183 million to adjusted EBIT (74.0 % increase), whereas Air & Ocean contributed a further DKK 100 million to adjusted EBIT (828.1 % increase).

Non-controlling interests' share of adjusted EBIT was 8.1 % in 2021 (2020: 11.7 %).

Special item expenses totalled DKK 4 million in 2021 (2020: DKK 5 million), related to completing the integration of Ebrex, acquired in 2020.

Net financial expenses totalled DKK 60 million in 2021 (2020: DKK 45 million). The increase was mainly caused by currency exchange rate adjustments and certain other financial expenses. IFRS 16 interest expenses remained constant compared to 2020.

The effective tax rate for 2021 was 19.3 % (2020: 29.1 %), affected by non-taxable income related to early termination of the previously impaired lease agreement in Switzerland and utilisation of tax-losses from prior periods following turn-around of certain previously non-profitable activities.

Profit for the year totalled DKK 385 million in 2021 (2020: DKK 149 million). Earnings per share was DKK 15.64 per share (2020: DKK 5.61 per share), whereas diluted earnings per share was DKK 15.35 per share in 2021 (2020: DKK 5.61 per share).

Cash flow

Cash flow from operating activities totalled DKK 462 million in 2021 (2020: DKK 463 million). The development was mainly driven by an increase in adjusted EBIT, offset by an increase in net working capital commitment during 2021 and cash settlement of an exercised warrants program.

Cash flow from investing activities was negative DKK 167 million in 2021 (2020: negative DKK 159 million). Cash outflows are mainly related to the four acquisitions completed during the year. Adjusted free cash flow, defined as cash flow from operating and investing activities adjusted for special items, acquisition of business activities, and repayment of lease liabilities, totalled DKK 288 million in 2021 (2020: DKK 314 million).

Cash flow from financing activities was negative DKK 438 million in 2021 (2020: negative DKK 249 million). Increased cash outflows were mainly settling legacy loans in the acquired LGT Group, increased share buyback activity and cash settlement of certain Ring-the-bell transactions. Proceeds from loans in connection with the acquisition of LGT partly offset the effects.

Capital resources

Net working capital totalled negative DKK 187 as of 31 December 2021 (31 December 2020: negative DKK 208 million). Deterioration is mainly caused by a higher cash commitment in the Air & Ocean segment following longer transit times and a shift in the market terms, favouring prepayments. A continued focus on strict cash management across all business areas offsets the effects.

Net interest-bearing debt totalled DKK 780 million as of 31 December 2020 (31 December 2020: DKK 420 million). Excluding the effects of IFRS 16, net interest- bearing debt would total DKK 25 million (31 December 2020: negative DKK 196 million). Increase in NIBD is mainly affected by the acquisition of LGT. The leverage ratio including effects of IFRS 16 was 1.1x EBITDA before special items.

Invested capital totalled DKK 1,340 million as of 31 December 2021 (31 December 2020: DKK 794.0 million). Excluding the effects of IFRS 16, invested capital would total DKK 627 million (31 December 2020: DKK 240 million). Return on average invested capital before tax, but including goodwill and effects of IFRS 16, was 50.8 % in 2021 (2020: 34.3 %).

"Following the completion of four acquisitions in 2021, the sound capital structure of NTG reflects our ability to generate a high return on invested capital."

Christian D. Jakobsen
Group CFO

Road & Logistics

The Road & Logistics division reported an adjusted EBIT of DKK 430 million in 2021, compared to DKK 247 million in 2020, representing a growth of 74.0%. The financial results for 2021 were driven by a combination of successful initiatives to safeguard capacity on behalf of customers, increased efficiency, and operating leverage.

Condensed income statement

(DKKm)	2021	2020
Net external revenue	5,547.7	4,274.7
Gross profit	**1,259.9**	**979.3**
Amortisations and depreciations	-144.7	-153.9
Adj. EBIT	**429.8**	**247.0**
Gross margin	22.7%	22.9%
Operating margin	7.7%	5.8%
Conversion ratio	34.1%	25.2%

Countries with subsidiaries

Denmark
Estonia
Finland
Germany
Hungary
Latvia
Lithuania
Netherlands
Norway
Poland
Russia
Spain
Sweden
Switzerland
Turkey
Ukraine
United Kingdom

52
Operational subsidiaries

17
Countries with local presence

76%
Share of Group revenue

“The results for 2021 reflect the ability of our organisation to successfully monitor and adapt to changes in the market, and I look forward to embarking on another eventful year of change in 2022”.

Jesper E. Petersen
CEO Road & Logistics

Albeit the COVID-19 pandemic remained very present in 2021, economic recovery and surging demand for goods led to structural market imbalances. Transparent communication and flexible procedures were key success factors in procuring capacity for customers.

Market highlights

A combination of transnational labour shortages, changes to the political environment, and equipment shortages triggered inflationary effects on the cost of European road freight in 2021. Shortages of drivers, rising fuel prices, and delays in delivery of newbuild trucks turned into structural challenges in all markets.

In the UK, new customs procedures and documentation requirements affected UK trade flows, and volumes plunged in the first quarter of the year. The situation gradually normalised, however, a vast number of drivers remained reluctant of returning due to immigration and travelling restrictions inflicted by Brexit and COVID-19.

Another key theme for the road freight markets in 2021 was the global shortages of semiconductor chips. Not only did the shortages hamper supply of newbuild trucks, but it also affected the demand for transportation services within the automotive industry. Activity within the vertical remained subdued throughout the year alongside production halts and reduced throughput.

Business highlights

The Road & Logistics division surpassed pre-pandemic activity levels in 2021, and a combination of strong demand in the context of capacity shortages, operating leverage, and acquisitions resulted in the best financial results in the history of the Road & Logistics division.

Financial review

Net revenue totalled DKK 5,548 million in 2021 (2020: 4,275 million), corresponding to a growth of 29.8 %. Organic growth was 14.5 %, mainly from rise in volumes and prices, whereas acquisition growth was 15.2 % from acquisition in 2021 and full-year effect of acquisitions from 2020. Currency fluctuations affected positively by 0.1 %.

Gross profit totalled 1,260 million in 2021 (2020: DKK 979 million). Rise in input prices had a negative effect on gross margins, although sales price adaptation alleviated the pressure. Adjusted EBIT totalled 430 million (2020: 247 million), the increase partly driven by raised activity levels, acquisitions and restructuring of low-performing activities.

Case: Managing the complexities of Brexit

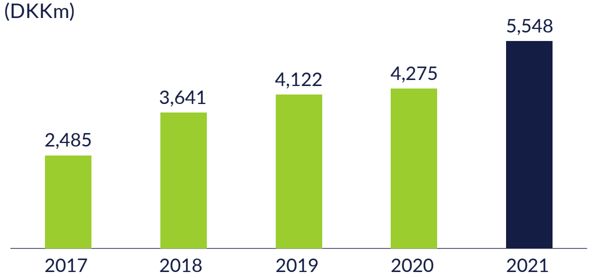
In anticipation of the UK’s withdrawal from the EU, effective 1 January 2021, NTG established a specialised customs brokerage department in the UK.

In the fourth quarter of 2020, NTG established an in-house customs department to support customers in transitioning to the new customs regime applicable to consignments between EU and UK in the wake of Brexit.

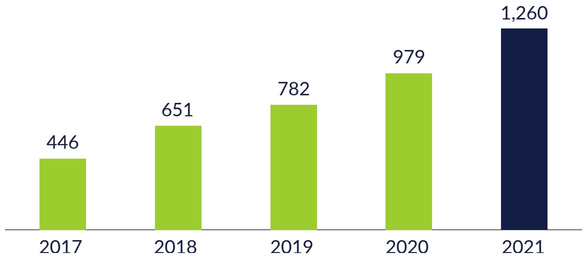
Ever since 1 January 2021, the department has assisted customers across NTG subsidiaries with around-the-clock customs declarations and related consultancy services. Based on the demand for customs services, the team hastily expanded to include more than 20 specialists.

Thanks to the agility of the British organisation and a team effort by NTG subsidiaries across Europe, customs declarations became an integral and much sought for road freight service in the UK in 2021.

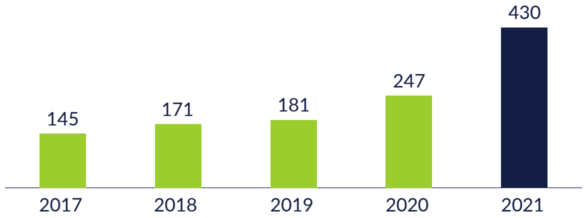
Net revenue
(DKKm)



Gross profit
(DKKm)



Adjusted EBIT
(DKKm)



A rebound in primarily the construction and manufacturing sectors was the main driver of the surging demand for road freight, and activity in major geographies surpassed those of previous years.

However, capacity constraints hampered the ability to grow controlled volumes in line with addressable demand, and the retention and procurement of capacity for existing customers was given pride of place. To address capacity shortages and mounting domestic and cross-border price pressure, capacity surcharges were introduced across all markets in 2021.

The financial performance in 2021 was also a result of the organisational overhaul completed in 2020 and the full-year impact of cost savings, reorganisations, and restructurings. The financial performance in 2021 reflects the adaptability of the organisation to changing market dynamics, and the achievements of the division bode well for another year of change.

Four acquisitions were completed in 2021, namely Cargorange, Neptun Transport, Twente Express, and LGT. The acquisitions contributed with additional scale and expanded the division's footprint to new niches and trade lanes. Based on the latest full-year results, the acquisitions represent approximately DKK 1 billion in revenue on an annualised basis. The integration of Cargorange and Twente Express were completed in 2021, while the integrations of LGT and Neptun Transport are expected to be finalised by 2023. Both integration processes are proceeding according to plan.

Focus areas for 2022

The road freight markets in Europe are set for another period of dynamic change in 2022.

In February 2022, the Mobility Package, adopted by the European Union, took final effect. By imposing new rules on cabotage, working conditions of drivers, and the frequency of trucks returning to the country of registration, the rules are set to affect transnational transportation patterns across Europe.

To adapt, the division prepares to leverage the scope of its geographical footprint and intensify collaborations with subcontractors to accommodate the new rules and procedures. The capacity situation will be monitored closely, and all measures necessary to safeguard capacity on behalf of existing and new customers will be launched as the situation unfolds.

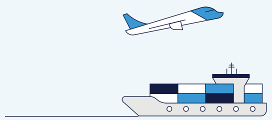
2022 will also see intensified focus on employee welfare amid lingering velocity of change, and the division will promote additional, decentralised initiatives to enhance social connection and affiliation.

Following the progressed integration of acquisitions completed in 2021, the Road & Logistics division will search for new acquisition opportunities in 2022.

We offer tailored road freight and warehousing solutions across Europe

Full-loads	High-tech	Dangerous goods
Part-loads	Automotive	Warehousing
Groupage	Powder	Distribution
Oversized cargo	Recycling	Customs clearance
Projects	Furniture	
Temperature controlled	Textiles	

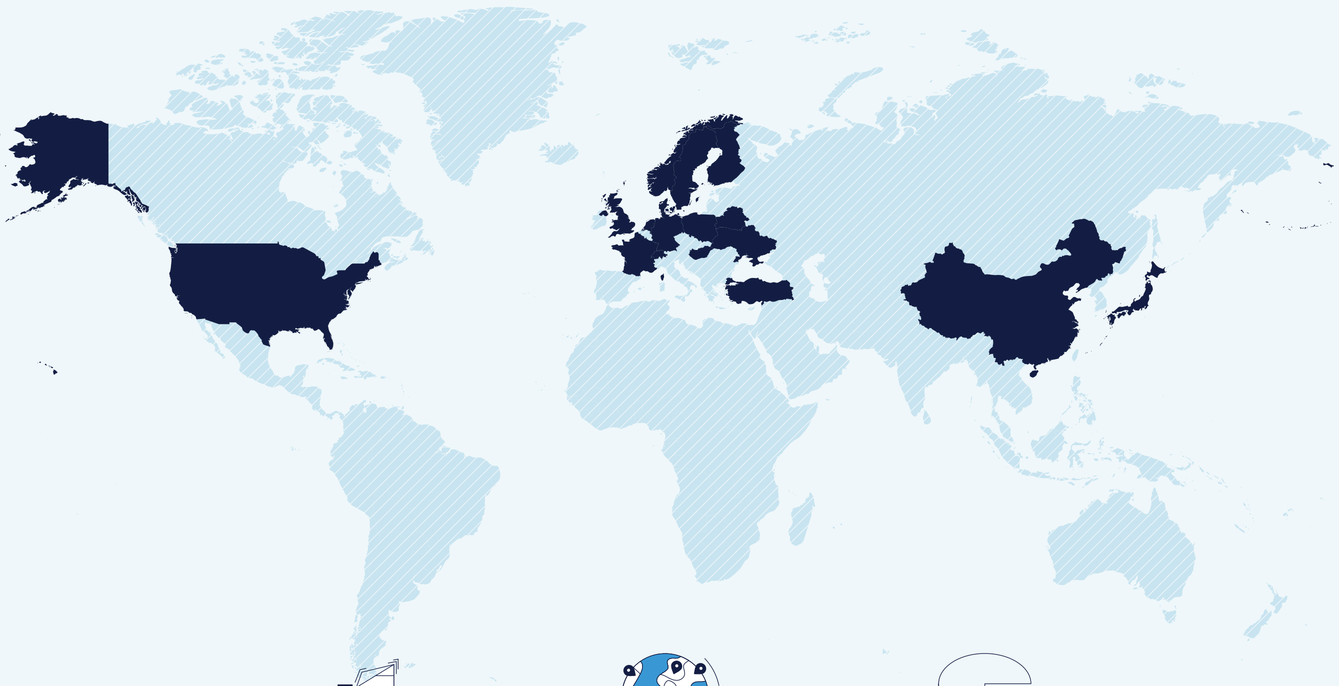
Air & Ocean



The Air & Ocean division reported an adjusted EBIT of DKK 112 million in 2021, compared to DKK 12 million in 2020, representing a growth of 828.1%. The financial results for 2021 mirror the ability and agility of our dedicated employees to adapt to supply chain disruptions as well as surfacing effects of the strategic recalibration completed in 2020.

Condensed income statement

(DKKm)	**2021**	**2020**
Net external revenue	1,753.5	1,057.0
Gross profit	**331.9**	**259.0**
Amortisations and depreciations	-10.8	-12.9
Adj. EBIT	**112.3**	**12.1**
Gross margin	18.9%	24.5%
Operating margin	6.4%	1.1%
Conversion ratio	33.8%	4.7%

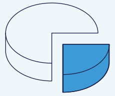


Countries with subsidiaries

China
Denmark
Finland
France
Germany
Hong Kong
Hungary
Japan
Netherlands
Norway
Poland
Sweden
Switzerland
United Kingdom
United States

21
Operational subsidiaries

15
Countries with local presence



24%
Share of Group revenue

In 2021, consumers and businesses across the world learned first-hand how the disruptions of global supply chains intensified systemic imbalances emphasising the need for collaborative partnerships to overcome acute challenges.

Market highlights

In **ocean freight,** disruptions continued to impact global supply chains in 2021. Consumers continued to reallocate spending from services to goods and global supply chains, already in a state of imbalance, struggled to adapt. A range of events, including shutdown of the Suez Canal, closings of major ports and port congestions amid mounting Covid-19 cases added to the destabilisation. Cargo volumes and freight rates consequently lingered at multi-year highs.

In **air freight,** capacity remained below pre-pandemic levels throughout the year. A lack of widebody belly capacity, due to absent recovery of long-haul passenger flights, more than offset capacity added by air carrier and integrator cargo planes. Although capacity partly rebounded during the year, rates remained elevated as ocean freight bottlenecks and inventory restocking drove up demand for air freight services. In combination with airport ground congestion and mounting backlogs, rates climbed higher in 2021.

Business highlights

The pandemic underscores the imperative of relational and transparent partnerships to overcome challenges, and the record high financial results for 2021 are a proof point to merits of NTG's decentralised structure. By promoting agility and empowering employees to act with swiftness, the division helped customers navigate challenging markets to identify the best possible solutions.

Financial review

Net revenue totalled DKK 1,754 million in 2021 (2020: 1,057 million), corresponding to a growth of 65.9 %. Organic growth was 66.5 %, mainly from rise in market rates and volumes. Currency fluctuations affected negatively by 0.6 %.

Gross profit totalled 332 million in 2021 (2020: DKK 259 million). Although the sharp rise in market rates had a negative effect on gross margins, the development had an overall positive effect on profitability. Adjusted EBIT totalled 112 million (2020: 12 million), the increase mainly driven by raised activity levels and market rates, supported by restructuring of low-performing activities.

"2021 was characterised by supply chain disruptions and a high degree of unpredictability, and I am proud that we stood side by side with our customers all the way to tackle these extraordinary challenges".

Søren Holck Pape
CEO Air & Ocean

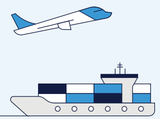
Case: Contributing to winning medals in Tokyo

When joining forces, great achievements can be made. In line with the Olympic values of fellowship and cooperation, NTG employees collaborated to support the Danish Olympic team.

In 2021, NTG assumed the task assigned by the Danish Sports Confederation as official Danish logistics service provider to the 2020 Tokyo Olympic and Paralympic Games.

Employees across a number of NTG entities in Denmark managed the complex shipments to and from Tokyo of many and varied items of different shapes and sizes, ranging from bare necessities to priceless sports equipment of the athletes.

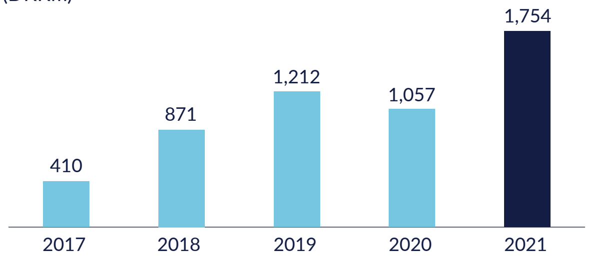
The Olympic Games are highly focused on individual performances, but a team effort is required for an athlete to deliver a good result. Similarly, NTG encourages employees to take responsibility and make a difference in their job through a joint effort.



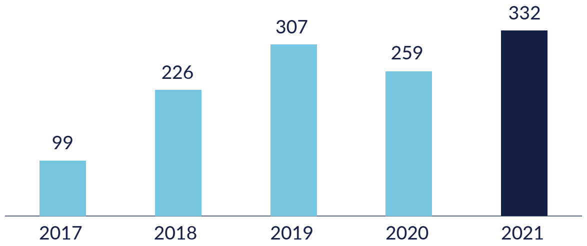
Watch video

CEO, Air & Ocean, Søren Holck Pape, on NTG's task as logistics provider (in Danish)

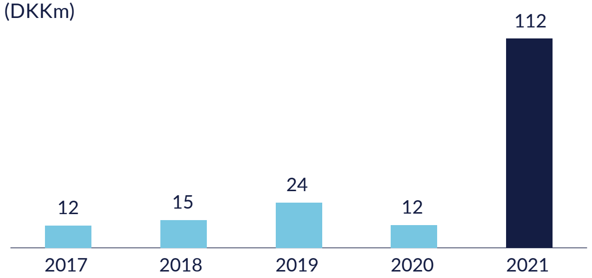
Net revenue
(DKKm)



Gross profit
(DKKm)



Adjusted EBIT
(DKKm)



While organic growth was mainly driven by higher freight rates in 2021, the division experienced a net inflow of customers, and volumes surpassed pre-pandemic levels. Financial results improved across all geographies in 2021 with Denmark, Sweden, Germany, and the US as the main contributors.

2021 was a year of organisational change, and the division was strengthened by the recruitment of new employees globally combined with the onboarding of Søren Holck Pape as CEO of the Air & Ocean division in the beginning of the year.

Performance for the year is also a testimony to the strategic restructuring completed in 2020 that redefined and refocused resources on Northwest Europe, the US, and China by closing or divesting non-core and restructuring non-performing activities.

Focus areas for 2022

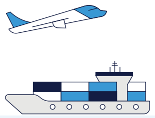
In 2022, the Air & Ocean division will strive for continued expansion and growth by embracing opportunities that arise out of the current market conditions. The ambition is underpinned by a three-pronged approach.

The first prong is **commercial excellence.** By building up distinct sales teams, devoting additional managerial attention to the origination of new business, and by enhancing intra-divisional collaboration, the division will focus on increasing controlled volumes and strengthening relationships with key partners.

The second prong is operational excellence. In 2022, additional standardisation, automation, and digitisation initiatives will be rolled out across the division to streamline operating procedures, increase utilisation of existing resources, and ultimately boost efficiency.

Anchored in the business model of NTG, the third prong is **organisational coherence and development.** 2022 will see renewed efforts to attract, retain, and motivate employees, and resources will be devoted to support the notion of intra-organisational collaboration. The division's cultural values will be visualised to unify and strengthen the cohesion of the division's 21 decentralised units, and employees will be empowered to impact, execute, and develop the corporate strategic agenda.

The Air & Ocean division is prepared for potential acquisitions in 2022, and the search for opportunities to scale and strengthen the divisions' presence in existing, core markets continues.



We offer the entire range of air and ocean freight services throughout Europe and worldwide

Airport-airport	Direct shipments	Dangerous goods
Port-port	Temperature controlled	Project transport
Door-door	Customs clearance	
Less-than-container-load	Full-charter	
Full-container-load	Part-charter	
Buyer's consolidation	Onboard courier	

Corporate matters

Risk management | Corporate Governance | Board of Directors | Group Management team | Shareholder information

NTG has extensive structures in place to ensure risk monitoring and mitigation including appropriate governance towards multiple stakeholders.

Risk management

By actively monitoring and managing identified risk exposures, NTG seeks to reduce the frequency, likelihood, and impact of potential adverse events that may affect our stakeholders, reputation, and financial position.

NTG perceives risks as any material adverse event, whether likely or unlikely, that may impact the Group's business, results of operations, financial position, and prospects. Based on the most recent risk evaluation, it is NTG Group Management's assessment that risks inherent to NTG do not individually or collectively cast doubt on the Group's ability to continue as a going concern.

Risk governance

Risk assessment is an inherent part of NTG's recurring strategic analyses. The Board of Directors is responsible for the overall risk management of NTG, while the Audit Committee monitors and evaluates the risk framework and provides recommendations to the Board of Directors. The Executive Management, responsible for the design and maintenance of the Group's risk management systems, supports the Audit Committee in identifying and mitigating the Group's risk exposures.

Risk Management Procedure

NTG applies a structured approach to risk management, organised according to the following steps:

1) Identification and initial reporting: NTG Group Management receives input on bi-annual business review meetings with the Group's significant subsidiaries.

2) Analysis and assessment: Identified risks are recorded in a work register and assessed in terms of likelihood of occurrence and potential financial impact.

3) Risk review and mitigation: Key risks are selected for further review and design of mitigating actions. These include avoidance, transfer, reduction, or acceptance.

4) Risk reporting: Key risks and mitigating actions are reported according to the governance structure.

1 Retention and talent identification
2 Input factor (capacity) shortage
3 Compliance
4 IT and cyber security
5 Macroeconomy
6 Competition and market conditions
7 Mergers and acquisitions

Identified key risks

1 Retention and talent identification

As NTG operates in a "people's business", it is vital to identify and retain skilled employees. Current developments in the transport industry increase competition for talented employees, accentuating the requirements for NTG to offer attractive conditions. NTG acknowledges the ability of talented and high-performing individuals by providing an inspiring platform for development and career advancements. Further, the Partnership Model of NTG enables selected partners to take part in his/her own success, while being backed by an extensive network, standardised back-offices functions, and the knowledge pool of existing partners. In 2021, the Partnership Model was supplemented by a bonus retention program with a share option element.

2 Input factor (capacity) shortage

NTG relies on independent carriers to provide transport services. Shortages of subcontractor capacity due to market factors or political developments may affect the Group's input factor prices and ability to service its customers. NTG maintains relationships with important subcontractors by offering value-creating programs, only available to NTG's subcontractors. NTG keeps close contact with critical suppliers and works to ensure contingencies in case of any subcontractor's inability to deliver. In 2021, the input factor shortages reached new highs, challenging NTG in securing capacity for existing and new customers. It is expected that the Mobility Package introduced in February 2022 by the EU will stretch the European transportation market to the limit, resulting in additional capacity shortages and price pressure.

3 Compliance

As a public company with international activities, NTG is subject to extensive regulatory requirements. Compliance with relevant legislation and regulatory standards is imperative for NTG. Use of independent carriers makes non-compliance both an internal and external risk factor. The Group continually monitors relevant regulatory areas to ensure timely identification and implementation of new or updated rules affecting NTG's business. Internal compliance is governed by the Group's compliance framework, including codes of conduct and instructions to suppliers and employees. Short lines of communication and NTG's whistle-blower system aid transparency.

4 IT and cyber security

As NTG becomes increasingly digitised, more devices and control systems are connected online. Any breach of NTG's IT security or internal control systems could cause disruption to NTG's operations, or a data leak resulting in non-compliance that adversely affects NTG's reputation. Improving and strengthening cyber security is a strategic priority for NTG, supported by the Group's internal Cyber Security Plan developed in accordance with the requirements of CIS 20. NTG strives to onboard all new companies on the Group's platform within one year from closing of an acquisition. NTG only contracts with top-tier service providers to guarantee a secure IT platform and all employees of the Group undergo cyber security training on a recurring basis.

5 Macroeconomy

Freight forwarding is a cyclical business, largely affected by the development in general economic activity. Market participants, including NTG, are exposed to slowdowns in economic activity or changes to the global trading patterns. This includes negative impact from disruptive forces, such as instability in global supply chains, geopolitical and other political developments imposing restrictions on free trade, or the imposition of trade barriers. Risks may be offset by increasing domestic activities and demand for related logistics services, such as customs clearance. Having witnessed the consequences of the Covid-19 pandemic, the general expectation is that the risk of the global economy collapsing is lower than last year. However, the latest development between Russia and Ukraine has increased the uncertainty. The global economic and political developments are outside of NTG's direct influence. Maintaining an asset-light business model and an agile operational set-up reduce the impact of macro-economic effects.

6 Competition and market conditions

The freight forwarding industry is continually undergoing gradual changes that affect competitive dynamics. Changes originate from incumbents as well as new entrants. Technological advances, including process automation and digitisation, act as the most notable drivers of development in the industry. These advancements imply an opportunity for optimising workflows and productivity while providing higher levels of service and product offerings for the customers. A strict focus on system standardisation and monitoring of new technologies coupled with operational agility position NTG to continually adapt its operations to market conditions.

7 Mergers and acquisitions

Acquiring companies is a cornerstone of NTG's growth strategy, and the Group has had a solid track-record since inception. The continued value-creation from acquisitions is dependent on identification of the right targets, efficient execution, and effective integration. NTG has implemented an acquisition framework which ensures that targets have the right strategic fit with NTG's existing organisation, whereas a strong post-merger process ensures efficient realisation of plans and mitigation of potential challenges.

Corporate Governance

Governance Structure

NTG has a two-tier governance structure comprised by the Board of Directors and the Executive Management. The ultimate governing authority rests with the General Meeting.

In terms of internal organisation, the Group Management comprises the Executive Management, the divisional CEOs, and the Executive Vice Presidents. The Executive Management is comprised of the Group CEO and Group CFO, as registered with the Danish Business Authority.

The Board of Directors is responsible for the overall strategic management and organisation of the Group's activities as well as the Group's financial and material matters. The Board of Directors has established an **audit**, a **remuneration**, and a **nomination** committee focusing on preparatory tasks within the Board of Directors' areas of responsibilities.

The Executive Management is responsible for NTG's day-to-day management, including the compliance of NTG and its operations with applicable legislation, the Board of Directors' guidelines and instructions, including implementation of the strategy set by the Board of Directors, and for disseminating information on NTG's operations to the Board of Directors.

Further allocation of responsibilities between the Board of Directors and the Group Management is set out in the Rules of Procedure of the Board of Directors and in a set of management instructions issued by the Board of Directors to the Group Management.

Board of Directors

Composition

According to the Articles of Association, the Board of Directors must comprise not less than three and not more than eight members elected by the General Meeting for terms of one year. Board members are eligible for re-election.

In 2021, Ulrik Ross Petersen stepped down from the Board of Directors due to his entrance into a new position which conflicted with his role as a member of the NTG Board of Directors. No new members were elected to the Board of Directors in 2021.

The Board of Directors currently comprise six members representing strong knowledge and expertise within all areas of NTG's business and strategic focus areas, including the international transport sector in general, corporate governance, M&A, risk management, IT, accounting, and supply chain management.

The composition of the Board of Directors is intended to ensure that the Board of Directors has a diverse competency profile enabling the Board of Directors to perform its duties in the best possible manner. The current Board of Directors is considered to have the right competencies supporting the long-term value creation for NTG's shareholders. Reference is made to pages 33-34 for an overview of the current board members' individual competencies.

Independence

Five of the six members of the Board of Directors are regard ed as independent, according to the Danish Recommendations on Corporate Governance. Jørgen Hansen is the founder of NTG and, until 2018, a member of the executive management in Nordic Transport Group A/S (the former parent company in the Group). As a result, he is not regarded as independent according to the Danish Recommendations on Corporate Governance.

Board meetings in 2021

The Board of Directors held thirteen board meetings in 2021.

The agendas and the topics for each of the ordinary meetings are based on the Board of Directors' annual wheel.

In addition to the activities laid down in the annual wheel, the Board of Directors focused on supervising NTG's continuous adaption to the unstable situation in the international freight markets in 2021.

5 out of 6

of the members of NTG's Board of Directors are considered independent according to the Danish Recommendations on Corporate Governance..

Board Committees

The Board of Directors has established three permanent committees for the purpose of assisting the Board of Directors in preparing decisions and submitting recommendations for the entire Board of Directors. Each committee is governed by its own charter which describes the composition of the committee and its tasks, duties, and responsibilities. The committees perform preparatory work, prepare subjects, and make recommendations to the Board of Directors. The Board of Directors takes the final decision on subjects prepared by the committees.

Audit Committee

The Audit Committee comprises three members: Carsten Krogsgaard Thomsen (Chairman), Eivind Drachmann Kolding, and Finn Skovbo Pedersen. Carsten Krogsgaard Thomsen was elected as Chairman of the Audit Committee and Finn Skovbo Pedersen was elected as a new member of the Audit Committee in 2021 when Ulrik Ross Petersen resigned from the Board of Directors. The Audit Committee meets at least four times a year.

The composition of the Audit Committee ensures that competences and experience within financial accounting and internal controls are represented in the Audit Committee. The Committee's activities, tasks, and duties include monitoring of NTG's financial reporting process, internal controls, IT, risk management, capital structure, and ESG and diversity initiatives. The Committee is also responsible for ensuring independence and remuneration of the elected external auditor as well as supervising the auditor's non-audit services to NTG.

The Audit Committee held four meetings in 2021.

Remuneration Committee

The Remuneration Committee comprises three members: Eivind Drachmann Kolding (Chairman), Jørgen Hansen, and Jesper Præstensgaard. The Remuneration Committee's activities, tasks, and duties include preparation of the Group's Remuneration Policy in accordance with section 139a of the Danish Companies Act, proposing remuneration and specific targets (KPIs) for performance-related incentive programs and preparation of the Remuneration Report in accordance with section 139b of the Danish Companies Act and NTG's Remuneration Policy. The Remuneration Committee meets at least twice a year.

The Remuneration Committee held two meetings in 2021.

Nomination Committee

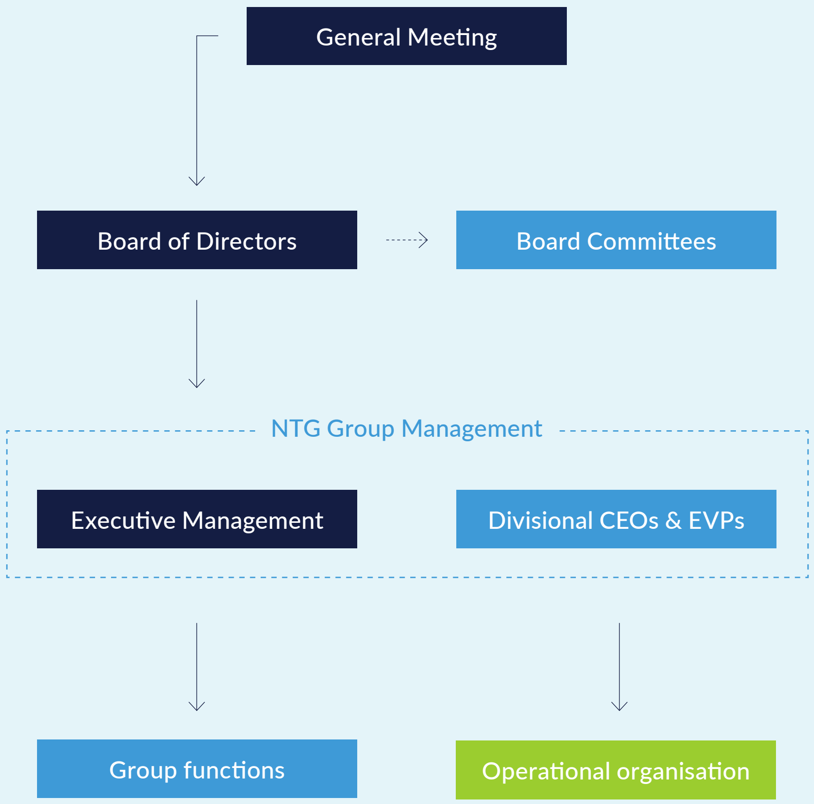
The Nomination Committee comprises two members: Jørgen Hansen (Chairman) and Eivind Drachmann Kolding. The Remuneration Committee's activities, tasks, and duties include evaluation of the individual board members' competencies, assisting the Chairman in the annual evaluation process, making recommendation for potential new members to the Board of Directors, reviewing NTG's policy on diversity, and assessing the structure, size, and composition of the Board of Directors and the Executive Management. The Nomination Committee meets at least twice a year.

The Nomination Committee held two meetings in 2021.

Board evaluations

The Board of Directors completes annual self-evaluations. In accordance with the Recommendations on Corporate Governance, the evaluation focuses, inter alia, on the composition of the Board of Directors, the competencies of the Board of Directors, the functioning of the board committees, the efficiency of the Board of Directors, the individual board members' contributions, and the role of the Chairman and Executive Management. The Chairman oversees the self-evaluation process and conclusions are presented to and discussed by the Board of

Governance structure



Directors. The results of the evaluation related to the Executive Management are reviewed by the Chairman together with members of the Executive Management.

In 2021, it was decided to engage an external consultant to conduct the board evaluation which also, to a certain extent, comprised the Executive Management. The evaluation did not give rise to any material remarks and showed a high degree of satisfaction among the members of the Board of Directors and the Executive Management. Further, it concluded that the current Board of Directors as well as the Executive Management are considered to have the appropriate competencies.

Recommendations on Corporate Governance

NTG observes the Recommendations on Corporate Governance. NTG complies with 39 out of 40 of the recommendations and has prepared the statutory statement on Corporate Governance pursuant to Section 107b of the Danish Financial Statements Act.

Corporate Governance Report

NTG complies with 39 out of 40 recommendations on Corporate Governance.

Meeting attendance in 2021

Board of Directors	Title	Board meetings attended	Audit Committee meetings attended	Remuneration Committee meetings attended	Nomination Committee meetings attended
Eivind Drachmann Kolding	Chairman	●●●●●●●●●●●●●	●●●●	●●	●●
Jørgen Hansen	Deputy Chairman	●●●●●●●●●●●●●		●●	●●
Jesper Præstensgaard	Board member	●●●●●●●●●●●●●		●●	
Finn Skovbo Pedersen	Board member	●●●●●●●●●●●●●	●*		
Carsten Krogsgaard Thomsen	Board member	●●●●●●●●●●●●○	●●●●		
Karen-Marie Katholm	Board member	●●●●●●●●●●●●●			

● Attended ○ Not attended

* Member of the Audit Committee as of September 2021

Board of Directors

Eivind Drachmann Kolding – Chairman

Board member since 2019
Born in 1959
Male
Independent
Up for re-election in 2022

Committees:
Audit Committee: Member
Remuneration Committee: Chairman
Nomination Committee: Member

Relevant skills and experience:
- Extensive experience in international shipping and logistics.
- Broad experience in M&A, IT, legal matters, and finance.
- Extensive background as international CEO and CFO as well as broad board experience.
- Former Group CFO of A.P. Moller-Maersk.
- Former CEO of Maersk Line and Danske Bank

Other positions:
- Chairman of the board of directors in Danmarks Skibskredit A/S
- Deputy chairman of the board of directors in Leo Fondet and Leo Holding A/S
- Board member in NNIT A/S and Altor Fund Manager AB

Shareholdings, end 2021: 21,521
Shareholding changes 2021: 0

Jørgen Hansen – Deputy Chairman

Board member since 2019
Born in 1960
Male
Not independent
Up for re-election in 2022

Committees:
Remuneration Committee: Member
Nomination Committee: Chairman

Relevant skills and experience:
- Founder of NTG
- Former Group CEO of NTG
- 30+ years of experience in freight forwarding as manager and entrepreneur

Other positions:
- Board member in H5 Baldersbækvej A/S, H5 Transitvej A/S, H5 Housing A/S, H5 Capital ApS, H5 Properties A/S, H5H A/S, H5 Erhvervsejendomme ApS, H5 Erhvervsejendomme ApS, H5 Broløkke Herregård ApS, M10 Capital A/S, Medley Capital A/S and H5 Wine Invest A/S
- Executive in H5 Erhvervsejendomme ApS, H5 Erhvervsejendomme ApS and AFH 2020 ApS

Shareholdings, end 2021: 3,859,047
Shareholding changes 2021: 0

Karen-Marie Katholm

Board member since 2020
Born in 1967
Female
Independent
Up for re-election in 2022

Relevant skills and experience:
- Chief Supply Chain Officer and member of the Executive Committee at Akzo Nobel N.V.
- Previously held a variety of global leadership roles in Sourcing, Supply Chain, and Operations with large, international companies such as DuPont, Arla Foods, Orkla and LEGO
- Vast experience in Supply Chain Management and significant integration experience from various mergers and acquisitions
- Has held a variety of board member roles across various industries

Other positions:
- Board member in Chr. Augustinus Fabrikker Aktieselskab, Terma A/S, Green Hydrogen System A/S, and Caf Invest A/S
- Executive in Akzo Nobel N.V.

Shareholdings, end 2021: 4,507
Shareholding changes 2021: +1,000

Board of Directors

Carsten Krogsgaard Thomsen

Board member since 2020
Born in 1957
Male
Independent
Up for re-election in 2022

Committees:
Audit Committee: Chairman

Relevant skills and experience:
- Executive Management positions as CFO in Dong Energy and NNIT
- Extensive experience within finance, accounting, treasury, corporate governance, IT, M&A, post-merger integration, cost restructuring, enterprise risk management, and compliance in listed companies
- Board experience from various companies, including Scandlines and Railion, and chairman of audit committee in GN Great Nordic and SKAKO

Other positions:
Board member in SKAKO A/S, SKAKO Concrete A/S, and SKAKO Vibration A/S

Shareholdings, end 2021: 5,294
Shareholding changes 2021: 0

Finn Skovbo Pedersen

Board member since 2019
Born in 1955
Male
Independent
Up for re-election in 2022

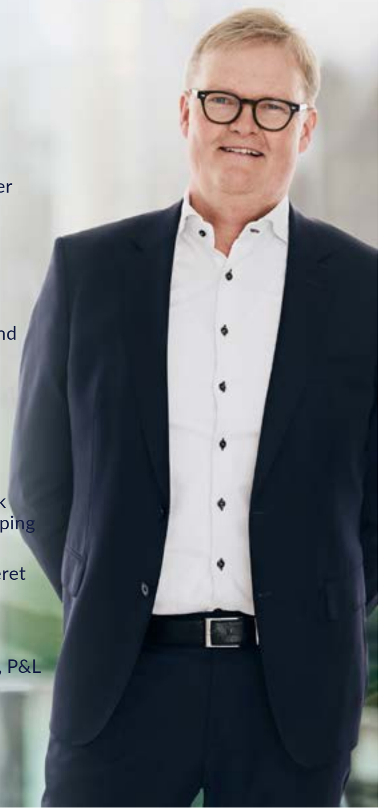
Committees:
Audit Committee: Member

Relevant skills and experience:
- International management experience from the transport industry including integration processes related to acquisitions
- Managing Director of Dachser Nordic A/S 2005-2017
- Co-owner of Haugsted International Transport 1990-2005

Other positions:
- Chairman in Føniks A/S, Marjattahjemmenes Støttefond, Ejendomsholdingselskabet Bregnerød ApS, and Ejendomsselskabet Bregnerød ApS
- Executive in Zukunft ApS and Fortius Fitness Tyskland ApS

Shareholdings, end 2021: 8,600
Shareholding changes 2021: +200

Jesper Præstensgaard



Board member since 2019
Born in 1964
Male
Independent
Up for re-election in 2022

Committees:
Remuneration Committee: Member

Relevant skills and experience:
- International management experience within shipping and logistics
- Executive positions at Maersk and Hapag-Lloyd
- Board experience from different companies including current chairman position at New York Shipping Exchange

Other positions:
- Chairman in LinerGrid ApS, Falck Formco A/S, and New York Shipping Exchange, NY, USA
- Board member in Værktøjscenteret ApS

Executive in Gnaske ApS, Human Acceleration ApS, Præstensgaard Holding ApS, Praestensgaard ApS, P&L Invest ApS, and Humanostics ApS

Shareholdings, end 2021: 6,639
Shareholding changes 2021: 0

Group Management team

Executive management

Michael Larsen
Group CEO
Born 1976
CEO since 2020

Other positions
Executive in Ejendomsselskabet Nørregade 7, Køge ApS, ML Ejendomme Køge ApS, Lardahl Holding ApS, Nordic Quintet ApS, ML Invest Køge ApS, JDL Holding Køge ApS, and MDL Holding Køge ApS

For an overview of other positions within the Group, reference is made to note 8.8.

Mathias Jensen-Vinstrup
Executive Vice President

Peter Grubert
Executive Vice President

Jesper E. Petersen
CEO Road & Logistics

Søren Holck Pape
CEO Air & Ocean

Executive management

Christian D. Jakobsen
Group CFO
Born 1974
CFO since 2018

Other positions
Executive in Holdingselskabet af 2. april 2019 ApS

For an overview of other positions within the Group, reference is made to note 8.8.

Shareholder information

Share price information

The NTG share price increased by 108.6% in 2021, from a closing price of DKK 256.0 per share on 30 December 2020 to a closing price of DKK 534.0 per share on 30 December 2021. During the same period, the Nasdaq OMX Copenhagen Mid Cap index increased by 28.5%. As of year-end 2021, the market capitalisation of NTG was DKK 12.1 billion.

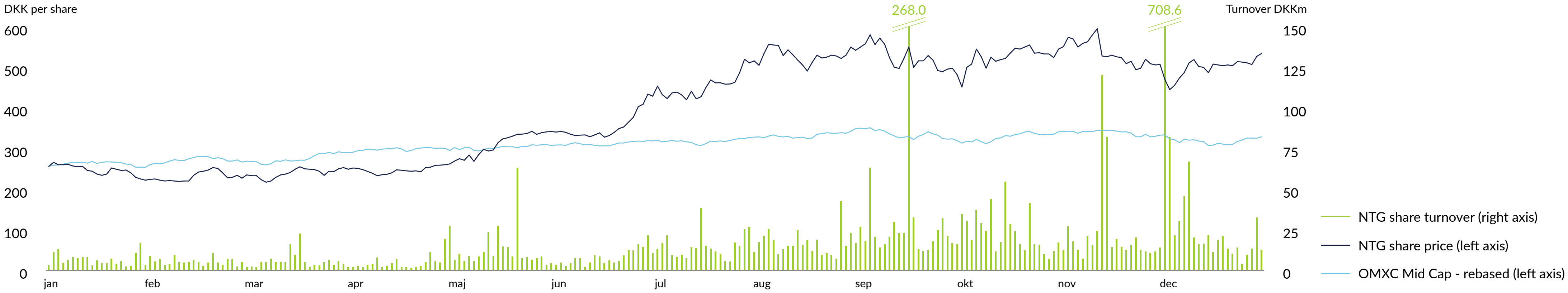
According to data from Nasdaq Copenhagen, the average daily trading volume of NTG was 41,787 shares in 2021, corresponding to an average daily turnover of DKK 18.0 million. Excluding the day of the accelerated bookbuild offering on 1 December 2021 comprising 1,400,000 existing shares, the average daily trading volume and turnover of NTG was 35,808 shares and DKK 15.2 million, respectively. The average daily volume in 2021 represents an increase of 34.7% compared to 2020, when excluding the days of the private placement and accelerated bookbuild offering in 2020 and 2021, respectively.

Based on the average market capitalisation of NTG's shares in November 2021 exceeding the Nasdaq Nordic Large Cap segment's EUR 1 billion threshold by 50%, NTG changed segment from Mid Cap to Large Cap on Nasdaq OMX Copenhagen as of 3 January 2022.

Share data

Share capital	DKK 452,988,120
Total number of shares (year-end)	22,649,406
Nominal value per share	DKK 20
Number of treasury shares (year-end)	515,751
Share classes	1
Voting and ownership restrictions	None
Stock exchange	Nasdaq Copenhagen
ISIN code	DK0061141215
Ticker symbol	NTG
Bloomberg code	NTG:DC
Reuters code	NTGNT.CO
Market capitalisation (year-end)	DKK 12.1 billion
Share price (year-end)	DKK 534.0

34.7%
increase in average daily trading volume in 2021 compared to 2020.



Share buy-backs and dividends

On 9 March 2021, NTG announced the completion of the share buy-back program initiated on 18 November 2020. 129,532 treasury shares in total were acquired under the program at a cost of DKK 30.0 million.

Subsequently, in connection with the accelerated bookbuild offering on 1 December 2021, NTG acquired an additional 200,000 shares as part of the transaction, at a price of DKK 460.0 per share.

The purposes of repurchases are to acquire minority shareholders' shares in NTG subsidiaries against NTG-shares under the "Ring-the-Bell" concept, cover obligations arising under the share-based incentive program, and potentially for other purposes such as payment in M&A transactions.

No dividends have been proposed for 2021. For further information on the capital allocation principles, reference is made to page 16.

Shareholders

As per 31 December 2021, NTG had 14,404 registered shareholders, representing 97.8% of the share capital of NTG. The following shareholders have reported holdings of 5% or more of NTG's share capital and voting rights:

- H5 Capital ApS, a Danish holding company of the founder and board member of NTG, Jørgen Hansen and his descendants, holds 17.1% of the share capital of NTG.
- Vindtunneln Holding AB, a Swedish holding company of former board member of NTG, Stefan Ingemar Pettersson, holds more than 10% of the share capital of NTG.
- Chr. Augustinus Fabrikker Akts. holds more than 5% of the share capital of NTG.
- Arbejdsmarkedets Tillægspension holds more than 5% of the share capital of NTG.

Holdingselskabet af 7. marts 2019 ApS, a Danish holding company of certain employees of NTG and its subsidiaries, and certain members of the Board of Directors as well as the Executive Management, holds 4.0% of the share capital of NTG.

In addition to any indirect ownership held through Holdingselskabet af 7. marts 2019 ApS, 19.2% of the share capital of NTG is held by other key employees of NTG and its subsidiaries, also referred to as Partners, and 2.6% of the share capital is held by certain members of the Board of Directors, other than Jørgen Hansen, and the Executive Management.

The number of shares held in treasury corresponds to 2.3% of the share capital. NTG has no majority shareholders.

Ring-the-bell

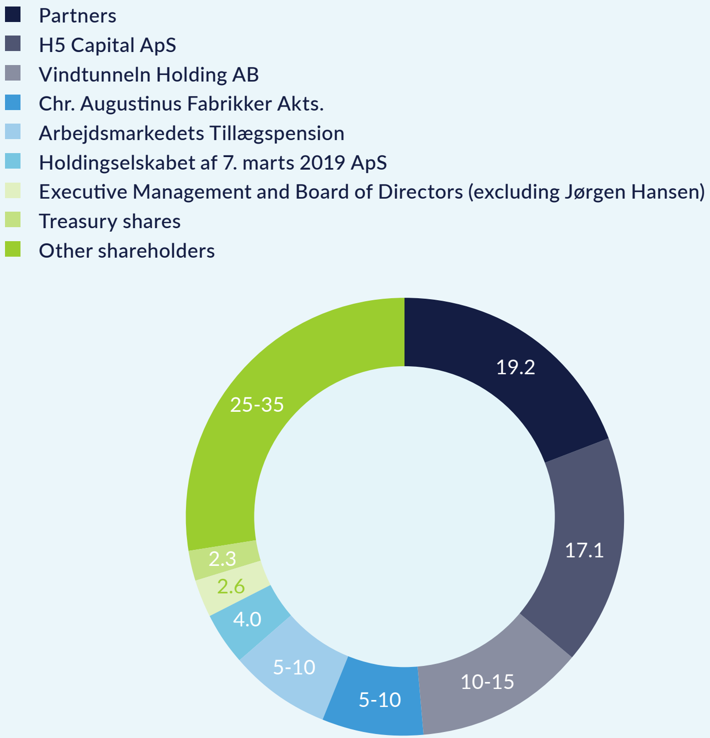
NTG's decentralised business model, with 71 operational subsidiaries owned together with approximately 120 employees as minority shareholders, is based on a pre-defined exit mechanism called ring-the-bell. Ring-the-bell is an incentive model offered to minority shareholders in certain subsidiaries, enabling partially owned subsidiaries of NTG to become fully owned over time.

Based on seniority, minority shareholders in the relevant subsidiaries may offer their shares to NTG against payment in cash or shares in NTG. NTG has no obligation to acquire the shares offered. Once a ring-the-bell process has been requested, the share-swap occurs over a five-year period subject each year to the acceptance by NTG.

In 2021, the minority shareholders in NTG Polar Road in Finland and Poland continued the ring-the-bell processes as the second

Compositions of shareholders as per 31 December 2021

%



Total number of shares

22,649,406

of five share tranches in each subsidiary were swapped, while NTG Växjö in Sweden and NTG Nielsen & Sørensen in Denmark completed the first of five share swaps. For 2022, the Board of Directors has decided to accept the continuation of ongoing share swaps as well as the initiation of the share swap process with NTG Projects.

Restrictions on sale of shares

Lock-up undertakings are applicable to shareholders who obtained shares in NTG through a share swap in connection with the listing of NTG on Nasdaq Copenhagen in 2019, as well as certain other shareholders. Shares subject to lock-up undertakings are expected to be released in accordance with the profile below.

Key employees with shareholdings in certain subsidiaries of NTG, who swapped such shareholdings to shares in NTG through ring-the-bell, and other shareholders who received shares in NTG in connection with the listing, are obliged to carry out any sale of shares in a coordinated manner. In 2021, the coordinated sales were arranged in periods following publication of the financial reports.

Authorisations granted to the board of directors

Until 8 April 2026, the Board of Directors is authorised to increase the share capital of NTG in one or more issues, at a subscription price which is not lower than the market value, by a total aggregate of 4,529,881 shares of nominal DKK 20 each, equivalent to 20.0% of the total share capital, with no pre-emption rights for existing shareholders. The share capital shall be increased by contribution in kind or cash payment.

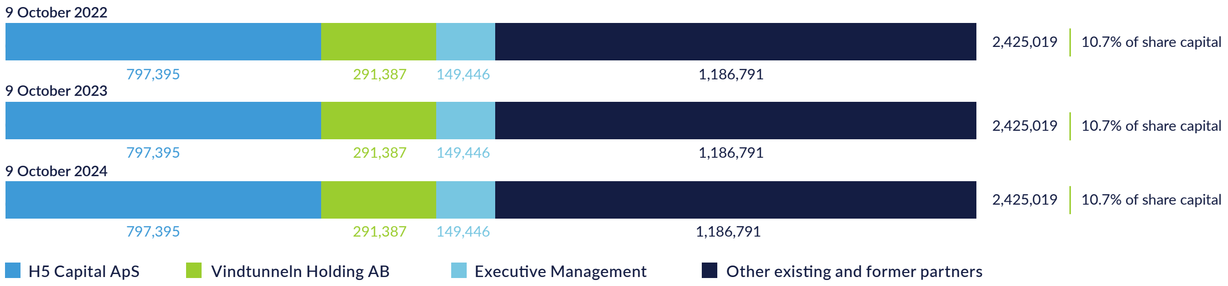
Until 8 April 2026, NTG may issue warrants by resolution of the Board of Directors for the subscription of a total of up to 2,250,000 shares of nominal DKK 20 each, equivalent to 9.9% of the share capital of NTG, by cash contribution. Any issuance of warrants to the management shall be made in accordance with the Company's remuneration policy.

In any case, the nominal share capital increase, which the Board of Directors may decide upon until 8 April 2026 under the authorisations referred to above, cannot exceed a total aggregate nominal amount of 4,529,881 shares of nominal DKK 20 each, equivalent to 20.0% of the total share capital of NTG.

Until 16 April 2025, the Board of Directors is authorised to acquire treasury shares of a total of up to 10% of NTG's share capital at any given time, subject to the acquisition price not deviating by more than 10% from the quoted price at the time of any purchase.

Share release from lock-up

(Number of shares)



Investor relations

Through open and active communication, we aim to maintain an ongoing dialogue with shareholders, investors, analysts, media, and the general public with a view to ensuring an equal and timely distribution of information to all market participants, and a fair pricing of the NTG share. This includes hosting of quarterly conference calls and participation in management roadshows, investor conferences, retail events, and one-on-one and group meetings with analysts and investors.

Our investor relations policy stipulates a four-week silent period prior to publication of full-year or interim financial reports. The NTG share is covered by Danske Bank Markets.

The investor website, investor.ntg.com, is frequently updated with information about the business. All financial reports, company announcements, and press releases can be downloaded from the investor website.

Investor relations

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Press

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Executive Vice President
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Financial calendar 2022

9 March
Annual Report 2021

7 April
Annual general meeting

10 May
Interim financial report Q1 2022

10 August
Interim financial report H1 2022

7 November
Interim financial report Q3 2022

Quarterly financial overview

The employees of NTG keep a steady course by demonstrating empowerment and collaboration.

Quarterly financial overview

(DKKm)	2021 FY	2021 Q4	2021 Q3	2021 Q2	2021 Q1
Total					
Net Revenue	7,301.9	2,171.7	1,869.5	1,720.0	1,540.7
Gross Profit	1,592.1	489.6	398.6	368.6	335.3
Adj. EBIT	542.0	160.5	142.6	137.5	101.4
Operating Margin	7.4%	7.4%	7.6%	8.0%	6.6%
Conversion ratio	34.0%	32.8%	35.8%	37.2%	30.2%
Road & Logistics					
Net Revenue	5,547.7	1,651.7	1,391.9	1,325.8	1,178.3
Gross Profit	1,259.9	398.5	311.7	290.2	259.5
Adj. EBIT	429.8	129.2	106.7	112.6	81.3
Gross Margin	22.7%	24,1%	22.4%	21.9%	22.0%
Operating Margin	7.7%	7.8%	7.7%	8.5%	6.9%
Conversion ratio	34.1%	32.4%	34.2%	38.8%	31.3%
Air & Ocean					
Net Revenue	1,753.5	520.0	477.1	393.9	362.5
Gross Profit	331.8	90.9	86.7	78.4	75.8
Adj. EBIT	112.2	31.8	36.1	24.5	19.8
Gross Margin	18.9%	17.5%	18.2%	19.9%	20.9%
Operating Margin	6.4%	6.1%	7.6%	6.2%	5.5%
Conversion ratio	33.8%	35.0%	41.6%	31.3%	26.3%

(DKKm)	2020 FY	2020 Q4	2020 Q3	2020 Q2	2020 Q1
Total					
Net Revenue	5,332.2	1,425.4	1,362.2	1,234.1	1,310.5
Gross Profit	1,238.4	349.9	317.7	295.4	275.4
Adj. EBIT	260.7	82.1	77.6	56.1	44.9
Operating Margin	4.9%	5.8%	5.7%	4.5%	3.4%
Conversion ratio	21.1%	23.5%	24.4%	19.0%	16.3%
Road & Logistics					
Net Revenue	4,274.7	1,106.1	1,125.6	975.2	1,067.8
Gross Profit	979.3	277.8	256.7	232.6	212.2
Adj. EBIT	247.0	74.2	73.7	52.6	46.5
Gross Margin	22.9%	25.1%	22.8%	23.9%	19.9%
Operating Margin	5.8%	6.7%	6.5%	5.4%	4.4%
Conversion ratio	25.2%	26.7%	28.7%	22.6%	21.9%
Air & Ocean					
Net Revenue	1,057.0	319.3	236.3	258.8	242.6
Gross Profit	259.0	71.8	61.2	62.9	63.1
Adj. EBIT	12.1	6.5	3.7	2.2	-0.3
Gross Margin	24.5%	22.5%	25.9%	24.3%	26.0%
Operating Margin	1.1%	2.0%	1.6%	0.9%	-0.1%
Conversion ratio	4.7%	9.1%	6.0%	3.5%	-0.5%

Financial Statements

Statement of Comprehensive Income | Cash Flow Statement | Balance Sheet
Statement of Changes in Equity | Notes | Definition of financial highlights

Income Statement

(DKKm)	Note	2021	2020
Net revenue	2.2	7,301.9	5,332.2
Direct costs	2.3	-5,709.8	-4,093.8
Gross profit		**1,592.1**	**1,238.4**
Other external expenses	2.4	-209.5	-219.5
Staff costs	2.5	-683.5	-589.6
Operating profit before amortisations, depreciations and special items		**699.1**	**429.3**
Amortisations and depreciation of intangible and tangible fixed assets	2.6	-157.1	-168.6
Operating profit before special items		**542.0**	**260.7**
Special items, net	2.7	-4.2	-5.4
Financial income	2.8	3.2	3.1
Financial costs	2.8	-63.6	-48.4
Profit before tax		**477.4**	**210.0**
Tax on profit for the year	3.1	-92.1	-61.2
Profit for the year		**385.3**	**148.8**
Attributable to:			
Shareholders in NTG A/S		349.0	125.9
Non-controlling interests		36.3	22.9
Earnings per share			
Earnings per share (DKK)	6.2	15.64	5.61
Diluted earnings per share (DKK) for the period	6.2	15.35	5.61

Statement of Other Comprehensive Income

(DKKm)	Note	2021	2020
Profit for the year		**385.3**	**148.8**
Items that may be reclassified to the income statement:			
Foreign exchange adjustments of subsidiaries		7.8	1.3
Items will not be reclassified to the income statement:			
Actuarial adjustments on retirement benefit obligations	8.3	22.0	-0.1
Tax relating to items that will not be reclassified	3.1	0.6	0.0
Other comprehensive income, net of tax		**30.4**	**1.2**
Total comprehensive income		**415.7**	**150.0**
Attributable to:			
Shareholders in NTG A/S		379.3	127.5
Non-controlling interests		36.4	22.5

Cash Flow Statement

(DKKm)	Note	2021	2020
Operating profit before special items		542.0	260.7
Depreciation and amortisations etc.		157.1	168.6
Share-based payments	8.2	-39.9	1.3
Change in working capital etc.		-50.0	127.5
Change in provisions		-1.3	13.6
Financial income received		3.2	3.1
Interest paid on leasing contracts	5.3	-30.5	-31.3
Other financial expenses paid		-33.1	-17.1
Corporation taxes paid		-81.7	-57.7
Special items	2.7	-4.2	-5.4
Cash flow from operating activities		**461.6**	**463.3**
Purchase of intangible assets	5.1	0.0	-0.5
Purchase of property, plant and equipment	5.2	-12.0	-4.8
Disposal of intangible assets, property, plant and equipment	5.2	5.2	2.4
Acquisition of business activities	7.1	-152.0	-152.4
Changes in other financial assets		-7.9	-3.2
Cash flow from investing activities		**-166.7**	**-158.5**
Free cash flow		**294.9**	**304.8**

Statement of adjusted free cash flow*

(DKKm)	2021	2020
Free cash flow	294.9	304.8
Special items	4.2	5.4
Acquisition of business activities	152.0	152.4
Repayment of lease liabilities reversed	-162.8	-148.4
Adjusted free cash flow	**288.3**	**314.2**

* Adjusted free cashflow excludes one-off items in terms of special items and acquisition of business activities, but includes cash outflows from leasing contracts under IFRS 16. The measure is shown as a representation of cash flows from continuing operational activities.

(DKKm)	Note	2021	2020
Repayment of loans		-191.7	0.0
Proceeds from loans		100.0	0.0
Repayment of lease liabilities	5.3	-162.8	-148.4
Proceeds and repayments of other financial liabilities	4.5	-20.4	-44.3
Shareholders and non-controlling interests			
Purchase of treasury shares	6.1	-113.1	-38.8
Dividends paid to non-controlling interests	6.1	-18.1	-15.7
Acquisition of shares from non-controlling interests		-33.0	-3.7
Disposal of shares to non-controlling interests		0.9	2.1
Cash flow from financing activities		**-438.2**	**-248.8**
Cash flow for the year		**-143.3**	**56.0**
Cash and cash equivalents at 1 January		**235.9**	**180.2**
Cash flow for the year		-143.3	56.0
Currency translation adjustments		6.9	-0.3
Cash and cash equivalents at 31 December**		**99.5**	**235.9**

** Cash and cash equivalents are presented in the balance sheet less bank overdrafts of DKK 111.9 million (2020: DKK 0 million). The cash and cash equivalents at 31 December disclosed in the cash flow statement include DKK 35.3 million (2020: DKK 21.4 million) which are held on deposit accounts with some limitiations in use.

Balance Sheet

(DKKm)	Note	31.12.2021	31.12.2020
Assets			
Intangible assets	5.1	857.2	507.1
Property, plant and equipment	5.2	77.9	91.3
Right-of-use assets	5.3	712.4	553.7
Other receivables	4.2	27.8	11.2
Deferred tax assets	3.2	49.4	10.0
Total non-current assets		**1,724.7**	**1,173.3**
Trade receivables	4.1	1,211.0	827.6
Other receivables	4.2	93.6	90.8
Cash and cash equivalents	4.3	211.4	235.9
Corporation tax		1.1	0.6
Total current assets		**1,517.1**	**1,154.9**
Total assets		**3,241.8**	**2,328.2**

(DKKm)	Note	31.12.2021	31.12.2020
Equity and Liabilities			
Share capital	6.1	453.0	453.0
Reserves		104.7	-120.7
NTG A/S shareholders' share of equity		**557.7**	**332.3**
Non-controlling interests	7.2	76.2	60.7
Total equity		**633.9**	**393.0**
Deferred tax liabilities	3.2	2.7	1.8
Pensions and similar obligations	8.3	118.5	149.8
Provisions	5.4	2.8	0.2
Financial liabilities	4.5	105.1	18.2
Lease liabilities	5.3	594.4	484.2
Total non-current liabilities		**823.5**	**654.2**
Provisions	5.4	68.3	62.0
Financial liabilities	4.5	131.0	21.5
Lease liabilities	5.3	161.1	132.4
Trade payables	4.4	1,180.5	854.9
Other payables	4.4	210.4	194.5
Corporation tax		33.1	15.7
Total current liabilities		**1,784.4**	**1,281.0**
Total liabilities		**2,607.9**	**1,935.2**
Total equity and liabilities		**3,241.8**	**2,328.2**

Statement of Changes in Equity

(DKKm)	Share capital	Share premium	Treasury share reserve	Translation reserve	Retained earnings	**Shareholders' share of equity**	Non-controlling interests	**Total equity**
2021								
Equity at 1 January	453.0	0.0	-4.4	-5.8	-110.5	**332.3**	60.7	**393.0**
Profit for the year	0.0	0.0	0.0	0.0	349.0	**349.0**	36.3	**385.3**
Net exchange differences recognised in OCI	0.0	0.0	0.0	7.7	0.0	7.7	0.1	7.8
Actuarial gains/(losses)	0.0	0.0	0.0	0.0	22.0	22.0	0.0	22.0
Tax on other comprehensive income	0.0	0.0	0.0	0.0	0.6	0.6	0.0	0.6
Other comprehensive income, net of tax	0.0	0.0	0.0	7.7	22.6	**30.3**	0.1	**30.4**
Total comprehensive income for the year	0.0	0.0	0.0	7.7	371.6	**379.3**	36.4	**415.7**
Transactions with shareholders:								
Share-based payments	0.0	0.0	0.0	0.0	-39.9	-39.9	0.0	-39.9
Tax on share-based payments	0.0	0.0	0.0	0.0	28.4	28.4	0.0	28.4
Dividends distributed	0.0	0.0	0.0	0.0	0.0	0.0	-18.1	-18.1
Purchase of treasury shares	0.0	0.0	-5.7	0.0	-107.4	-113.1	0.0	-113.1
Acquisition of shares from non-controlling interests	0.0	0.0	1.3	0.0	-30.2	-28.9	-4.1	-33.0
Disposal of shares to non-controlling interests	0.0	0.0	0.0	0.0	0.4	0.4	0.5	0.9
Other adjustments	0.0	0.0	-1.5	0.0	0.7	-0.8	0.8	0.0
Total transactions with owners	0.0	0.0	-5.9	0.0	-148.0	**-153.9**	-20.9	**-174.8**
Equity at 31 December	453.0	0.0	-10.3	1.9	113.1	**557.7**	76.2	**633.9**

Statement of Changes in Equity

(DKKm)	Share capital	Share premium	Treasury share reserve	Translation reserve	Retained earnings	**Shareholders' share of equity**	Non-controlling interests	**Total equity**
2020								
Equity at 1 January	448.5	0.0	0.0	-7.5	-200.6	**240.4**	48.0	**288.4**
Profit for the year	0.0	0.0	0.0	0.0	125.9	**125.9**	22.9	**148.8**
Net exchange differences recognised in OCI	0.0	0.0	0.0	1.7	0.0	1.7	-0.4	1.3
Actuarial gains/(losses)	0.0	0.0	0.0	0.0	-0.1	-0.1	0.0	-0.1
Tax on other comprehensive income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other comprehensive income, net of tax	0.0	0.0	0.0	1.7	-0.1	**1.6**	-0.4	**1.2**
Total comprehensive income for the year	0.0	0.0	0.0	1.7	125.8	**127.5**	22.5	**150.0**
Transactions with shareholders:								
Share-based payments	0.0	0.0	0.0	0.0	1.3	1.3	0.0	1.3
Dividends distributed	0.0	0.0	0.0	0.0	0.0	0.0	-15.7	-15.7
Purchase of treasury shares	0.0	0.0	-6.2	0.0	-32.6	-38.8	0.0	-38.8
Addition of non-controlling interests	0.0	0.0	0.0	0.0	0.0	0.0	9.4	9.4
Acquisition of shares from non-controlling interests	4.5	16.9	3.1	0.0	-15.0	9.5	-13.2	-3.7
Disposal of shares to non-controlling interests	0.0	0.0	0.0	0.0	-7.6	-7.6	9.7	2.1
Other adjustments	0.0	-16.9	-1.3	0.0	18.2	0.0	0.0	0.0
Total transactions with owners	4.5	0.0	-4.4	0.0	-35.7	**-35.6**	-9.8	**-45.4**
Equity at 31 December	453.0	0.0	-4.4	-5.8	-110.5	**332.3**	60.7	**393.0**

Notes overview

Notes

1. Basis for preparation

This section provides an overview of the financial accounting policies and key accounting estimates applied in the preparation of the Group's consolidated financial statements. The accounting policies set out in section 1.1. below have been applied consistently with respect to the financial year and comparative figures from previous year.

The consolidated financial statements of NTG Nordic Transport Group A/S have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and further requirements in the Danish Financial Statements Act relevant for class D companies.

The Annual Report for 2021 was approved by Executive Management and the Board of Directors on 9 March 2022 and will be presented for approval at the subsequent Annual General Meeting on 7 April 2022.

1.1 Accounting policies, estimates and judgements

The Annual Report for the period 1 January - 31 December 2021 comprise the consolidated financial statements of the Parent Company NTG Nordic Transport Group A/S and subsidiaries controlled by the Parent Company (the Group).

The annual report has been prepared on a going concern basis and in accordance with the historical cost convention, except where IFRS explicitly requires use of other values.

New and amended standards adopted by the Group

Accounting policies have been applied consistently with those applied in the consolidated financial statements for 2020.

The Group has implemented all new EU-approved standards, interpretations and amendments effective on 1 January 2021. The amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published but not mandatory for 31 December 2021 reporting. These standards are not expected to have a material impact on the entity in the current or future reporting periods.

Consolidation principles

The Consolidated financial statements comprise NTG Nordic Transport Group A/S (Parent Company) and its subsidiaries.

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to note 7.1).

Consolidation is performed by summarizing the financial statements of the Parent Company and its subsidiaries. Intercompany transactions, balances and unrealised gains on transactions between Group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Acquired or sold subsidiaries are recognised in the consolidated income statement for the period in which the Parent controls such entities. Comparative figures are not restated for recently acquired or sold entities.

Associates

Associates are all entities over which the Group has significant influence, but not control or joint control. This is generally the case when the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Non-controlling interests

Non-controlling interests' share of profit/loss for the year and of equity in subsidiaries is included in the Group's profit/loss for the year and of the equity of subsidiaries, respectively, but shown as separate items. Net profit for the year is allocated to non-controlling interests using the ownership interests present on the reporting date.

Transactions with non-controlling interest that do not result in a change of control are recognised directly in equity. Such transactions result in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interest and the consideration paid or received is recognised directly in retained earnings attributable to owners of NTG Nordic Transport Group A/S.

Foreign currency translation

Functional and presentation currency

Items in the financial statements of each reporting entity of the Group are measured in the currency of the primary economic environment in which the entity operates (the functional currency).

The functional currency of the Parent Company, NTG Nordic Transport Group A/S is Danish Kroner (DKK).

The financial statements are presented in Danish kroner (DKK), and all amounts have been rounded to the nearest hundred thousand.

Notes

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised on a net basis in the statement of profit or loss, within financial items.

Group Entities
The results and financial position of all Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

1. Assets and liabilities for each entity's balance sheet are translated at the closing rate at the date of that balance sheet;

2. Income and expenses for each entity's income statement are translated at average exchange rates; and

3. All resulting exchange differences are recognised as other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

Statement of cash flow
The cash flow statement shows the Group's cash flows during the year distributed on operating, investing and financing activities, including changes in cash and cash equivalents at the beginning and at the end of the year. The cash flow statement cannot be derived directly from the balance sheet and income statement.

Cash flows from operating activities are calculated using the indirect method and as operating profit before special items (EBIT) for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt, including servicing of leasing liabilities, as well as payments to and from shareholders.

Cash and cash equivalents include cash on hand and short-term liquid assets that are readily convertible to cash.

Materiality
The financial statements separately present items which are considered individually material. Individually immaterial items are aggregated with other items of similar nature in the statements or in the notes. All required disclosures by IFRS are presented unless the information is considered immaterial to the economic decision-making of the users of the financial statements.

Accounting estimates and judgments
The Group makes estimates and assumptions concerning the future. The resulting accounting estimates rely on Management judgement and will, by definition, seldom equal the related actual results.

Estimates and assumptions are based on historical experience and other factors that Management considers to be reliable, but which by their very nature are associated with uncertainty and unpredictability. These assumptions may prove incomplete or incorrect, and unexpected events or circumstances may arise. The estimates and assumptions deemed most significant to the preparation of the consolidated financial statements are addressed below:

- Acquisition of enterprises (Note 7.1)
- Defined Benefit Plans (Note 8.3)

Refer to each of the specific notes for details on relevant accounting policies and further description of significant estimates and assumptions used.

Risk factors specific to the Group are described in the management report from pages 28-29 and in note 6.4.

Notes

2. Profit for the year

This section includes disclosures on components of consolidated profit for the year.

2.1 Segment information

Accounting policies

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss before special items and is measured consistently with operating profit or loss in the consolidated statement of income.

Operating segments

The Group's business operations are carried out by two divisions, forming the basis for the Group's segment reporting. Information on business segments is based on the Group's risk and returns and its internal financial reporting system. The segmentation is a direct match to the Group's management structure, with a responsible CEO for each of the two operating segments. Business segments are regarded as the primary segments. Non-allocated items related to Head-office functions are not part of the business segments and are as such separated in the segment reporting.

All intersegment transactions and settlements are carried out on an arm's length basis.

Air & Ocean

The Air & Ocean division provides international air and ocean freight services, including project transports.

Road & Logistics

The Road & Logistics division provides transport and ware-housing solutions with a geographical focus on Europe.

Major customers

The Group has no customers contributing revenue of more than 10 % of total revenue and the Group is therefore not reliant on any major customers.

Geographical information

The following table present information regarding the Group's geographical seg-ments on revenue, and non-current assets, both of which are allocated according to the country in which the individual consolidated entity is based.

	Road & Logistics		Air & Ocean		Eliminations etc.		Total	
(DKKm)	2021	2020	2021	2020	2021	2020	2021	2020
Segment revenue	5,565.2	4,291.4	1,762.3	1,062.4	1.0	0.8	7,328.5	5,354.6
Revenue (between segments)	-17.5	-16.7	-8.8	-5.4	-0.3	-0.3	-26.6	-22.4
Revenue (external)	5,547.7	4,274.7	1,753.5	1,057.0	0.7	0.5	7,301.9	5,332.2
Gross Profit	**1,259.9**	**979.3**	**331.9**	**259.0**	**0.3**	**0.1**	**1,592.1**	**1,238.4**
Amortisation and depreciations	-144.7	-153.9	-10.8	-12.9	-1.6	-1.8	-157.1	-168.6
Operating profit before special items	**429.8**	**247.0**	**112.3**	**12.1**	**-0.1**	**1.6**	**542.0**	**260.7**
Gross margin	22.7%	22.9%	18.9%	24.5%			21.8%	23.2%

* Total assets and liabilities for each segment is not reported because such amounts are not regularly provided to the CODM

Net revenue per country

(DKKm)	2021	2020
Denmark	2,431.5	1,904.6
Sweden	1,349.6	930.0
Germany	784.3	571.8
Finland	739.7	501.9
Other	1,996.8	1,423.9
Total	**7,301.9**	**5,332.2**

Non-current assets*

(DKKm)	2021	2020
Denmark	1,150.7	717.4
Sweden	197.5	106.1
Germany	40.4	56.3
Finland	71.4	69.7
Other	215.3	213.8
Total	**1,675.3**	**1,163.3**

* non-current assets less tax assets

Notes

2.2 Net revenue

Accounting policies

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

Revenue from contracts with customers is recognised when control of freight forwarding services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. Freight forwarding services and other services are generally characterised by short delivery times except for ocean transports that takes longer due to the nature of the service delivered.

Timing of revenue recognition reflects when fulfilment of performance obligations towards customers take place and follows the over-time principle because the customer receives and uses the benefits simultaneously.

Revenue generated by providing other logistic services is recognised in the reporting period in which the service is rendered.

When determining the transaction price for the sale of services, the Group considers the effect of variable consideration and any other significant factors affecting the transaction price. The Group's ordinary course of business is to agree a price (transaction price) with the customer for performing the specific service (price allocation) before booking a haulier/carrier and delivering the service. No material effect of variable consideration is present, and no material uncertainty is therefore associated with the contract price on an individual transport level. No significant financing component is included in the transaction price, as sales are generally made with credit terms between 14-60 days from the delivery date, in coherence with market practice. Consequently, no adjustments to the transaction prices for the time value of money is carried out.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management. Change of circumstances relating to individual transports will ordinarily have a non-material effect on the Group's consolidated revenue.

Accrued revenue and accrued costs of services in progress at 31 December 2021 are presented on the line items trade receivables and trade payables, respectively. Accrued revenue is estimated and recognised when a sales transaction fulfils the criteria for revenue recognition, but no final invoice has yet been issued to the customer at the end of the reporting period. Accrued costs are estimated and recognised when supplier invoices relating to recognised revenue for the reporting period have yet to be received.

2.3 Direct costs

Accounting policies

Direct costs comprise costs incurred to achieve the year's revenue and primarily includes costs for hauliers, shipping companies and airlines.

2.4 Other external expenses

Accounting policies

Other external expenses include expenses related to rent, IT, training and education, travelling and other costs of operations and maintenance.

2.5 Staff costs

Accounting policies

Staff costs include salaries, bonuses, pensions, social security costs, vacation pay and other benefits.

Staff costs are recognised in the financial year in which the associated services are rendered by the employees. Costs related to long-term employee benefits, e.g., defined benefit pension plans, are recognised in the periods in which they are earned.

Government grants amounting to DKK 1.4 million was recognised as a deduction to wages and salaries (2020: DKK 9.2 million). Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the group will comply with all attached conditions. The government grants are related to Covid-19 public support programs in certain countries. There are no unfulfilled conditions or other contingencies attaching to these grants. The Group did not benefit directly from any other forms of government assistance.

Please refer to note 8.1 for detailed information on remuneration of Management and note 8.2 for detailed information on the Groups share option schemes and 8.3 for detailed information on pension plans.

(DKKm)	2021	2020
Wages and salaries	571.3	501.5
Defined contribution pension plans	24.7	20.3
Defined benefit pension plans	2.3	4.4
Other social security costs	63.6	51.2
Share-based payment	7.6	1.3
Other staff costs	14.0	10.9
Total staff costs	**683.5**	**589.6**
Average full time employees	1,621	1,482
Number of full-time employees at year-end	1,893	1,492

Notes

2.6 Amortisation and depreciation for the year

Accounting policies

Amortisation and depreciation relate to the following fixed assets in the balance sheet:

- Intangible assets (excluding goodwill),
- Property, plant and equipment, and
- Right-of-use assets capitalised cf. IFRS 16

Amortisation and depreciation profiles depend on the underlying assets (see notes 5.1, 5.2 and 5.3)

(DKKm)	2021	2020
Amortisation of intangible assets	0.5	0.6
Depreciation of tangible assets	9.5	10.7
Impairment of tangible assets	2.5	0.0
Depreciation of right-of-use assets, cf. IFRS 16	147.5	158.3
Termination settlements	-2.9	-1.0
Total	**157.1**	**168.6**

An early termination of the office and logistics facility in Switzerland as of 30 June 2021 resulted in a reassessment of a previously impaired agreement. A positive one-off effect of DKK 23.0 million was recognised in amortisation and depreciation on intangible and tangible fixed assets, offset by recognition of a DKK 3.0 million cost in other external expenses.

2.7 Special Items

Accounting policies

Special items are reported in the income statement and comprise significant income and expenses of an exceptional nature relative to the Group's ordinary operations or costs related to investments in future activities.

The items are stated separately to give a true and fair view of the Group's operating profit.

Special items for the year comprise:

- Transaction and integration costs from business combinations

(DKKm)	2021	2020
Transaction and integration costs from business combinations	4.2	5.4
Total	**4.2**	**5.4**

If the above special items costs were split into other income statement item lines, DKK 3.5 million would relate to other external expenses and DKK 0.7 million to staff costs.

2.8 Financial income and expenses

Accounting policies

Financial income and expenses comprise interest income and expenses, realised and non-realised capital gains/losses on transactions in foreign currency, amortisation of financial assets and liabilities etc.

Financial income

(DKKm)	2021	2020
Interest income	0.6	0.4
Other financial income	2.6	2.7
Total	**3.2**	**3.1**

Financial expenses

(DKKm)	2021	2020
Interest expense	3.7	3.4
Calculated interest on pensions plan (note 8.3)	1.3	1.3
Exchange differences	17.9	6.6
Other financial expenses	10.2	5.8
Interest on lease liabilities	30.5	31.3
Total	**63.6**	**48.4**

Notes

3. Tax

This section contains relevant disclosures and details regarding tax recognised in the financial statements. The total tax on Group profit for the year amounts to DKK 92.1 million.

3.1 Income tax

Accounting policies

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities. Management's judgements in this respect are based on assumptions and estimates, which carry a degree of uncertainty with respect to actual outcomes. Non-taxable items mainly relate to individual Group companies, where tax losses are non-capitalised.

Tax on other changes in equity concerns corporation tax and deferred tax and relates to the excess tax value between actual and expected tax deduction compared to the cumulative share-based payments cost recognised in the income statement.

(DKKm)	2021	2020
Tax for the year:		
Tax on profit/loss for the year	92.1	61.2
Tax on other comprehensive income	0.6	0.0
Tax on other changes in equity	-28.4	0.0
Total tax for the year	**64.3**	**61.2**

(DKKm)	2021	2020
Tax on profit/loss for the year:		
Current tax	95.9	67.5
Adjustment of deferred tax	-10.5	-4.3
Adjustment of tax from prior periods	6.7	-2.0
Total tax on profit/loss for the year	**92.1**	**61.2**

(DKKm)	2021	2020
Parent company's income tax rate	22.0%	22.0%
Tax effect of:		
Higher/lower tax rate in subsidiaries	-1.0%	-1.4%
Other non-taxable items	-3.6%	9.6%
Adjustments of tax from prior periods	1.4%	-0.9%
Revaluation of deferred tax assets and liabilities	0.5%	-0.2%
Effective tax rate	**19.3%**	**29.1%**

3.2 Deferred tax

Accounting policies

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available, against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(DKKm)	2021	2020
Movement on deferred tax, net		
Deferred tax at 1 January	8.2	2.3
Deferred tax for the year	10.5	4.3
Tax on changes in equity	18.2	0.0
Additions from business combinations	10.2	0.0
Other adjustments	-0.4	1.6
Deferred tax at 31 December	**46.7**	**8.2**

The Group has non-recognised tax assets totalling 402 million at year-end 2021 (2020: 421 million), of which the majority relates to tax loss carry forwards. The majority of unrecognised deferred tax assets have no significant time limitations.

Non-recognised tax loss carry forwards include DKK 1,742 million acquired from the transaction with former Neurosearch A/S. There is no assurance that the Group will be able to utilise the acquired tax-loss carry forwards, and no deferred tax asset has therefore been recognised.

Notes

4. Financial assets and liabilities

This note provides information about the Group's financial instruments, including:

- Overview of all financial instruments held by the Group
- Specific information about each type of financial instrument
- Accounting policies
- Information about determining the fair value of the instruments, including judgements and estimation uncertainty involved.

The Group holds the following financial instruments:

Financial assets (amortised cost)

(DKKm)	2021	2020
Trade Receivables	1,211.0	827.6
Other financial assets at amortised cost	121.4	102.0
Cash and Cash equivalents	211.4	235.9

Financial liabilities (amortised cost)

(DKKm)	2021	2020
Trade and other payables	1,390.9	1,049.4
Other financial liabilities	236.1	39.7
Lease liabilities	755.5	616.6

The Group's exposure to various risks associated with the financial instruments is discussed in note 6.4. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

4.1 Trade Receivables

Accounting policies

A receivable is the Group's unconditional right to consideration and is accounted for in accordance with IFRS 9. Receivables are initially recognised at fair value adjusted for any transaction costs. Subsequently, receivables are measured at amortised cost, which usually corresponds to the nominal value.

Trade receivables are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement on a short-term basis and therefore are classified as current.

Due to the short-term nature of the current receivables, their carrying amounts are considered to be the same as their fair value.

Information about the impairment of trade receivables and the Group's exposure to credit risk, foreign currency and interest risk can be found in note 6.4.

Trade Receivables

(DKKm)	2021	2020
Trade Receivables	1,244.1	858.6
Less provision for impairment	-33.1	-31.0
Trade Receivables net	**1,211.0**	**827.6**

4.2 Other financial assets

Accounting policies

Other financial assets consist of receivables other than trade receivables. These other receivables generally arise from transactions outside the usual operating activities of the Group. The non-current part of other receivables mainly consists of deposits, which are measured at cost less repayments and impairment (amortised cost).

4.3 Cash and cash equivalents

Cash and cash equivalents disclosed in the statement of cash flows include DKK 35.3 million which are held on deposit accounts with some limitiations in use. Deposits are subject to regulatory restrictions and are therefore not available for general use by other entities within the Group.

4.4 Trade and other payables

Accounting policies

Trade payables represents liabilities for services provided to the Group prior to the end of financial year, which are unpaid at the balance sheet date. The amounts are unsecured and are usually paid on a short-term basis. Trade and other payables are presented as current liabilities unless payment is due more than 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method. Carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

4.5 Other financial liabilities

Accounting policies

Other financial liabilities consist of individually immaterial positions related to short-term bank overdrafts and other borrowing arrangements outside of credit institutions.

Other financial liabilities are measured at amortised cost, which corresponds to the net realisable value.

Other financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Notes

4.5 Other financial liabilities – continued
Financial liabilities

	2021			
(DKKm)	**Carrying amount**	**0-1 year**	**1-5 years**	**> 5 years**
Trade and other payables	1,390.9	1,390.9	0.0	0.0
Other financial liabilities	236.1	131.0	105.1	0.0
Lease liabilities	755.5	161.1	334.8	259.6
Total, discounted	**2,382.5**	**1,683.0**	**439.9**	**259.6**
Interest	189.7	49.3	85.7	54.7
Total, undiscounted	**2,572.2**	**1,732.3**	**525.6**	**314.3**

	2020			
(DKKm)	**Carrying amount**	**0-1 year**	**1-5 years**	**> 5 years**
Trade and other payables	1,049.4	1,049.4	0.0	0.0
Other financial liabilities	39.7	21.5	18.2	0.0
Lease liabilities	616.6	132.4	293.4	190.8
Total, discounted	**1,705.7**	**1,203.3**	**311.6**	**190.8**
Interest	181.4	40.1	88.4	52.9
Total, undiscounted	**1,887.1**	**1,243.4**	**400.0**	**243.7**

Notes

5. Non-financial assets and liabilities

This section provides information about the Group's non-financial assets and liabilities: Intangible assets, tangible assets and provisions.

5.1 Intangible assets

Goodwill

Accounting policies

Goodwill acquired in business combinations is recognised and measured as the difference between the total of the fair value of the consideration transferred and the fair value of the identifiable net assets on the date of acquisition. Goodwill is not amortised. The carrying amount of goodwill is tested for impairment annually. Impairment losses are recognised directly for the year and are not subsequently reversed.

Acquired other rights

Accounting policies

Acquired other similar rights are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Impairment

Accounting policies

Goodwill is tested for impairment once a year, other intangible assets are tested when there is indication of impairment.

When performing the impairment test, an assessment is made as to the ability of individual cash generating units (CGUs) to generate sufficient positive net cash flow in the future to support the value of the unit in question.

Impairment testing is performed for each cash-generating unit to which consolidated goodwill is allocated, as defined by Management. The cash-generating units thereby follow the Group's divisional structure:

- Road & Logistics
- Air & Ocean

	2021			2020		
(DKKm)	**Acquired Rights**	**Goodwill**	**Total**	**Acquired Rights**	**Goodwill**	**Total**
Cost at 1 january	**1.7**	**506.1**	**507.8**	**1.5**	**388.6**	**390.1**
Acquisitions through business combinations	0.0	352.1	352.1	0.4	117.6	118.0
Additions for the year	0.0	0.0	0.0	0.1	0.0	0.1
Disposals at cost	0.0	-2.0	-2.0	-0.2	0.0	-0.2
Currency translation adjustments	-0.2	0.5	0.3	-0.1	-0.1	-0.2
Cost at 31 December	**1.5**	**856.7**	**858.2**	**1.7**	**506.1**	**507.8**
Impairment losses and amortisation at 1 january	**0.7**	**0.0**	**0.7**	**0.3**	**0.0**	**0.3**
Amortisation for for the year	0.5	0.0	0.5	0.6	0.0	0.6
Disposals during the year	0.0	0.0	0.0	-0.2	0.0	-0.2
Currency translation adjustments	-0.2	0.0	-0.2	0.0	0.0	0.0
Impairment losses and depreciation at 31 December	**1.0**	**0.0**	**1.0**	**0.7**	**0.0**	**0.7**
Carrying amount at 31 December	**0.5**	**856.7**	**857.2**	**1.0**	**506.1**	**507.1**

Notes

5.1 Intangible assets – continued

Goodwill is written down to its recoverable amount through the income statement, if this is lower than the carrying amount.

The recoverable amount is determined as the present value of the discounted future net cash flow from the cash-generating unit to which the goodwill relates. In calculating the present value, discount rates are applied reflecting the risk-free interest rate with the addition of risks relating to the individual cash-generating units, such as geographical and financial exposure.

The carrying amount of goodwill at the end of the reporting date equals DKK 856.7 million. For goodwill impairment testing, a number of estimates are made. Estimates are made in connection to the development in revenues, operating profits, future capital expenditures, discount rates and growth expectations in the terminal period. These estimates are based on assessments of the current cash-generating units Road & Logistics and Air & Ocean and are based on historical data and assumptions of future expected market developments, including expected long-term average market growth rates.

The Road & Logistics division primarily operates in the Northern, Eastern and Central European markets. Future net cash flows of the division are affected by market development and growth rates in these regions.

The Air & Ocean division operates internationally, and its future cash flows are therefore exposed to developments in global trade and economy.

Future cash flows in both divisions are also affected by the development of internal factors, such as network synergies and productivity improvements.

The expected future net cash flow is based on budgets and business plans approved by Management for the year 2022 and projections for subsequent years up to and including 2026. Projections in the budget period are derived from the Group's historical above-industry growth rates. From 2026, NTG Nordic Transport Group A/S expects the growth rate to remain in line with the expected long-term average growth rate for the industry. Calculations and related sensitivity analysis have shown no indication of goodwill impairment in either CGU.

Goodwill impairment

	2021	
(DKKm)	**Road & Logistics**	**Air & Ocean**
Carrying amount of goodwill	726.6	130.1
Budget period		
Annual Growth	4.0%	6.0%
Operating margin	5.5%	4.5%
Terminal Period		
Growth	2.0%	2.0%
Pretax discount rate	9.5%	10.5%

	2020	
(DKKm)	**Road & Logistics**	**Air & Ocean**
Carrying amount of goodwill	376.0	130.1
Budget period		
Annual Growth	4.0%	6.0%
Operating margin	5.0%	3.0%
Terminal Period		
Growth	2.0%	2.0%
Pretax discount rate	9.5%	10.5%

5.2 Tangible assets and fixed assets investments

Property, plant and equipment

§ Accounting policies

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment. Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets, which are as follows:

- Land is not depreciated
- Warehouses and other productions buildings 20-30 years
- Office buildings 40-50 years
- Other plant and other operating equipment 3-7 years

The basis of depreciation is calculated with due consideration to the residual value and any prior impairment write down. The estimated useful life and residual value of each asset is determined at the date of acquisition and reassessed annually.

Impairment

Assets are tested for impairment, if indications of impairment are present. In case a need for impairment is identified, the asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Any resulting impairment loss is recognised in the income statement when the impairment is identified.

Notes

5.2 Tangible assets and fixed assets investments – continued

(DKKm)	2021 Land & Buildings	2021 Other Fixtures and fittings, tools and equipment	2021 Total	2020 Land & Buildings	2020 Other Fixtures and fittings, tools and equipment	2020 Total
Cost at 1 January	**41.8**	**76.2**	**118.0**	**41.7**	**54.9**	**96.6**
Additions through business combinations	0.0	6.8	6.8	0.0	25.6	25.6
Additions for the year	0.0	12.0	12.0	0.3	4.4	4.7
Disposals at cost	-1.2	-12.7	-13.9	0.0	-5.9	-5.9
Currency translation adjustments	0.0	-0.7	-0.7	-0.2	-2.8	-3.0
Other adjustments	-0.1	-15.0	-15.1	0.0	0.0	0.0
Cost at 31 December	**40.5**	**66.6**	**107.1**	**41.8**	**76.2**	**118.0**
Impairment losses and depreciation at 1 January	**5.4**	**21.3**	**26.7**	**4.8**	**16.6**	**21.4**
Depreciation for the year	0.4	9.1	9.5	0.6	10.1	10.7
Impairment	0.0	2.5	2.5	0.0	0.0	0.0
Disposals during the year	0.0	-8.7	-8.7	0.0	-3.5	-3.5
Currency translation adjustments	0.0	-0.5	-0.5	0.0	-1.9	-1.9
Other adjustments	0.0	-0.3	-0.3	0.0	0.0	0.0
Impairment losses and depreciation at 31 December	**5.8**	**23.4**	**29.2**	**5.4**	**21.3**	**26.7**
Carrying amount at 31 December	**34.7**	**43.2**	**77.9**	**36.4**	**54.9**	**91.3**

5.3 Leases

Contracts are assessed at inception to determine whether the Group is entering into 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 the Group.

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.

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, 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.

Right-of-use assets and lease liabilities are not recognised for low value lease assets or leases with a lease term of 12 months or less. These are recognised as an expense on a straight-line basis over the term of the lease. Any service elements separable from a capitalised lease contract are accounted for following same principle

In accounting for lease contracts, various judgements are applied in determining right-of-use assets and lease liabilities. Judgements include assessment of lease periods, utilisation of extension options and applicable discount rates.

Notes

5.3 Leases - continued

Extension options are only included in the lease term if the lease is reasonably certain to be extended. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

All right-of-use assets are presented in the balance sheet in the line item Right-of-use assets.

Right-of-use assets classified as land and buildings mainly relate to leases of warehouses, terminals and office buildings, whereas assets recognised as other plant and equipment mainly relate to leases of trailers, trucks, company cars, forklifts and other office equipment.

Contractual maturity of lease liabilities

(DKKm)	2021	2020
0 > 1 year	210.4	172.5
1 - 5 years	420.5	381.8
> 5 years	314.3	243.7
Total undiscounted lease liabilities at 31 December	**945.2**	**798.0**

Lease effects recognised in profit or loss and cash flow

(DKKm)	2021	2020
Expense relating to short-term leases (included in direct costs and other external expenses)	17.5	14.6
Expense relating to leases of low-value assets that are not short-term leases (included in other external expenses)	1.0	0.6
Interest expenses on lease liabilities	30.5	31.3
Lease payments	162.8	148.4
The total cash outflow for leases	**211.8**	**194.9**

Right-of-use assets (DKKm)	2021 Land & Buildings	2021 Other Plant & Equipment	2021 Total	2020 Land & Buildings	2020 Other Plant & Equipment	2020 Total
Carrying amount at 1 January	339.2	214.5	553.7	295.6	223.1	518.7
Additions from business combinations	171.3	49.3	220.6	62.2	0.9	63.1
Additions during the period	26.7	125.3	152.0	54.9	99.0	153.9
Disposals during the period	-32.4	-32.6	-65.0	-10.4	-13.6	-24.0
Depreciations	-40.3	-107.2	-147.5	-61.4	-95.9	-157.3
Currency translation adjustments	-0.7	-0.7	-1.4	-1.7	1.0	-0.7
Carrying amount at 31 December	**463.8**	**248.6**	**712.4**	**339.2**	**214.5**	**553.7**

Notes

5.4 Provisions

Accounting policies

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of Management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are in all material aspects short term and no interest expense due to the passage of time is recognised as an interest expense.

The Group's provisions are divided into two categories: 1) Provisions for legal claims and restructuring and 2) other provisions. The latter mainly consists of provisions relating to onerous contracts and refurbishment of premises.

Movement in provisions

Movements during the year are mainly related to certain legal cases.

	2021		
(DKKm)	Legal claims and restructuring	Other provisions	Total
Carrying amount at 1 January	29.5	32.7	62.2
Additional provisions recognised	21.6	16.1	37.7
Unused amounts reversed	-13.5	-5.0	-18.5
Transfer to other balance sheet line items	0.0	-0.3	-0.3
Amounts used during the year	-9.0	-1.8	-10.8
Currency translation	0.6	0.2	0.8
Carrying amount at 31 December	**29.2**	**41.9**	**71.1**

	2021		
(DKKm)	Current	Non-current	Total
Legal claims and restructuring	26.9	2.3	29.2
Other provisions	41.4	0.5	41.9
Total	**68.3**	**2.8**	**71.1**

6. Capital and financial risks

The section describes the shareholders' equity composition and capital management, including risks related to the financing structure of the Group.

6.1 Equity

Share capital

At 31 December 2021, the share capital of NTG Nordic Transport Group A/S DKK was 453 million consisting of 22.6 million shares with a nominal value of DKK 20 each.

Shares consist of only one share class and include no special rights, preferences, or restrictions. All shares are fully paid up. Shares are issued in multiples of 20.

The share capital is specified as follows:

(DKKm)	2017	2018	2019	2020	2021
Share capital 1 January	24.5	24.5	24.5	448.5	453.0
Capital increase	0.0	0.0	424.0	4.5	0.0
Share capital 31 December	**24.5**	**24.5**	**448.5**	**453.0**	**453.0**

Translation reserve

Exchange differences arising on translation of foreign controlled entities are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Notes

6.1 Equity – continued

Share Premium

The share premium represents positive differences between the nominal share capital and the amount paid by shareholders for newly issued shares.

The share premium is a distributable reserve

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 future share-based incentive programs and potentially for other purposes such as payment in relation to M&A transactions.

The treasury share reserve contains the nominal value of treasury shares, where any difference to the market price is recognised directly in retained earnings in equity.

The reserve is a distributable reserve.

Dividends

Dividends are recognised as a liability when approved by the shareholders at the Annual General Meeting. Dividends recommended to be paid for the year are stated as a separate line item under equity until approved at the Annual General Meeting. No dividends have been proposed for 2021.

	Number of shares	Nominal value (DKKm)	Part of share capital	Market value (DKKm)
Treasury shares at 1 January	222,747	4.4	0.98%	57.0
Ring-the-bell consideration paid	-67,385	-1.3	-0.30%	-36.7
Purchase of shares etc.	286,550	5.7	1.27%	113.1
Other transactions	73,839	1.5	0.33%	22.3
Value adjustment	0	0.0	0.00%	119.7
Treasury shares at 31 December	**515,751**	**10.3**	**2.28%**	**275.4**

6.2 Earnings per share

Share capital

Earnings per share (EPS) is calculated according to IAS33, as shown below.

Earnings per share

(DKKm)	**2021**	**2020**
Profit attributable to shareholders in NTG Nordic Transport Group A/S	349.0	125.9
('000 shares)		
Average number of shares	22,649	22,535
Average number of treasury shares	-329	-111
Average number of shares in circulation	**22,320**	**22,424**
Dilutive effect of outstanding share-based payment programs	420	28
Diluted average number of shares in circulation	**22,740**	**22,452**
Earnings per share	**15.64**	**5.61**
Diluted earnings per share	**15.35**	**5.61**

Notes

6.3 Capital Management

Objectives of capital management are to safeguard the Group's ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders by maintaining an optimal capital structure and reducing costs of capital.

Free cash flows are allocated in the priority below:

- Maintain a leverage ratio in line with the target.
- Secure a sufficient capital buffer for investments in organic growth, acquisitions, and other strategic initiatives.
- Cover obligations in relation to acquisition of minority shareholders' shares in subsidiaries and obligations under share-based incentive programs.
- Distribute excess capital to shareholders through share buyback programs.

Executive Management and the Board of Directors monitor the share and capital structure to ensure the Group's capital resources support strategic goals. Through a close dialogue with its main lenders, the Group can secure funding of strategic initiatives within a short time frame. Change of control clauses are generally included in NTG's credit agreements.

The Group's target leverage ratio (measured as NIBD including IFRS 16 relative to adj. EBITDA) is below 3.0 x. This level may be temporarily exceeded immediately after significant acquisitions. The Group's leverage ratio was 1.1 at 31 December 2021.

6.4 Financial risks

The overall financial risk management framework is laid down in the Group's finance policy, investment policy and policies regarding credit risks. The Group's finance functions manage financial risk at centralised level. Thus, the Group's financial management is aimed solely at managing and reducing the financial risks directly associated with the Group's operations and financing..

Disclosures in this note concern financial risks most significant for the Group, which are:

- Currency risk
- Interest risk
- Liquidity risk
- Credit risk

Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities due to the international activities of the Group. The Group's revenues are mainly denominated in EUR, DKK, SEK and PLN. Expenses have a pattern in line with revenue. The EUR rate is fixed to the DKK and is therefore not perceived to present a significant currency risk.

Sensitivity analysis of currency exposure based on the net exposure of the Group, the hypothetical impact of exchange rate fluctuations on profit for the year and equity, is as follows

	Sensitivity analysis	
(DKKm)	**Change in exchange rate**	**Impact on profit/loss**
SEK/DKK	-5%	-3.5
PLN/DKK	-5%	-1.2

The Group is not significantly exposed to foreign currency risk from items in other comprehensive income.

Interest risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest risk arises mainly from the revolving credit facility held by Group. The material amount relates to short-term facilities and management expects to repay the credit facility in the short term. Therefore, exposure to interest rate risk is considered immaterial.

The Group regularly monitors its interest rate risk and considers it to be insignificant, therefore an interest rate sensitivity analysis is not deemed necessary.

Liquidity risks

The Group is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which mainly include trade payables, other payables and credit facility. The Group ensures adequate liquidity through the management of cash flow forecasts and close monitoring of cash inflows and outflows and through inter-Group treasury accounts. In addition to cash flow from operations, the Group's liquidity position is secured through committed credit facilities with the Group's primary banks. At 31 December 2021, the undrawn amount of committed credit facilities totalled DKK 388 million.

Credit risks

The Group's credit risks are partly linked to receivables and cash at bank and in hand. The maximum credit risk linked to financial assets corresponds to the values recognised in the balance sheet. The Group has no significant risk regarding one individual customer or partner.

Notes

6.4 Financial risks – continued

During 2021, the Group expensed DKK 15.5 million on expected losses on trade receivables, corresponding to 0.21 % of the Group's net revenue.

Due to very low historic realised losses on trade receivables, the Group applies a simplified approach in calculating expected credit losses. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Expected losses on trade receivables, based on weighted loss percentages, are as follows:

Credit risks accounts receivable

(DKKm)	Gross Carying amount	Expected loss rate	Loss allowance
Not overdue	916.6	0.2%	1.8
1-30 days	233.9	0.5%	1.2
31-180 days	79.6	2.0%	1.6
181 - 360 days	5.3	50.0%	2.7
More than 360 days	8.7	100.0%	8.7
Loss allowance	**1,244.1**		**16.0**
Individual assessments			17.1
Loss allowance	**1,244.1**		**33.1**

At 31 December 2021 trade receivables were written down by DKK 33.1 million (2020: DKK 31.0 million). Individual assessments mainly cover specific debtors, where settlement of accounts is assumed to be unlikely.

The closing loss allowances for trade receivables as of 31 December 2021 reconcile to the opening allowances as follows:

Movement in allowance for doubtful trade receivables

(DKKm)	2021	2020
Carrying amount at 1 January	31.0	30.8
Additions through business combinations	0.6	1.7
Impairments realised during the year	-14.0	-12.8
Allowances for losses during the year	15.5	11.3
Carrying amount at 31 December	**33.1**	**31.0**

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Notes

7. Composition of the Group

This section provides information how the composition of the Group affects the financial position and performance for the year.

7.1 Acquisition and disposal of entities

Accounting policies

Enterprises acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation. Enterprises disposed of are recognised in the consolidated financial statements up to the date of disposal. Discontinued operations and assets held for sale are presented separately.

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group

Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Estimates and assumptions are an integrated part of assessing fair values etc. in accordance with the acquisition method of accounting, as observable market prices are seldom available for the acquired assets and liabilities. Assessments are carried out using Management's judgement with regards to future cash flows and other input factors to the valuation models used.

The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of a cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent considerations are classified either as equity or financial liabilities. Amounts classified as financial liabilities are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If measurement of the identifiable net assets is uncertain at the date of acquisition, initial recognition is done based on provisional amounts. Measurement period adjustments to the provisional amounts may be done for up to 12 months following the date of acquisition.

Acquisitions during the year

LGT Group AB

On 1 September 2021, NTG completed the acquisition of 100% of the shares in LGT Group AB ("LGT Group"). LGT Group is a leading full-service provider of transport logistics and warehousing solutions tailored to the furniture industry. The group serves a wide range of customers including furniture brands, design houses, manufacturers, wholesalers, and retailers as well as international partners.

Consideration transferred

The total considerations consist of cash payments of DKK 132.0 million, settled in connection with the transactions.

Adjusted for the fair value of acquired cash and cash equivalents of DKK 67.6 million, the net cash flow amounted to DKK 64.4 million (outflow).

LGT Group AB (DKKm)	Fair values at date of acquisition
Property, plant and equipment	4.6
Right-of-use assets	198.9
Deferred tax assets	10.3
Other receivables	18.2
Trade receivables	65.1
Cash and cash equivalents	67.6
Total assets	**364.7**
Financial liabilities	209.6
Lease liabilities	198.9
Provisions	0.9
Corporation tax	6.8
Trade payables	43.1
Other payables	32.9
Total liabilities	**492.2**
Non-controlling interests' share of acquired net assets	0.0
Acquired net assets	**-127.5**
Fair value of consideration	132.0
Goodwill arising from the acquisition	**259.5**

7.1 Acquisition and disposal of entities – continued

Earnings impact
During the period after the acquisition, the LGT Group contributed with DKK 216.7 million to the Group's revenue, DKK 18.4 million to the Group's adj. EBIT and DKK 13.6 million to the result after tax. If the acquisition had taken place 1 January 2021 the Group's revenue would have amounted to DKK 7,713.6 million and result after tax would have amounted to DKK 402.9 million.

Transaction costs
Total transaction costs relating to the LGT Group acquisition amount to DKK 2.6 million. Transaction costs are accounted for in the income statement as other external expenses.

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 below.

Fair value of acquired trade receivables and other receivables amounts to DKK 83.3 million. Collectability of receivables has been assessed based on Group credit assessment policies. In total DKK 1.1 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 the LGT Group 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.

Cargorange Sweden AB, Twente Express Limited and Neptun Transport A/S
On 28 January 2021, NTG completed the acquisition of 100% of the shares in Cargorange Sweden AB. The company operates mainly with transports between Sweden and the northern part of Continental Europe.

On 12 April 2021, NTG completed the acquisition of 100 % shares in the UK-based freight forwarding company, Twente Express Limited. The company specialises in daily door-to-door parcel and pallet deliveries and collections to and from the Benelux area, as well as freight forwarding services to and from worldwide destinations.

On 11 June 2021, NTG completed the acquisition of 75 % of the shares in the Danish based freight forwarding company Neptun Transport A/S. The company is a specialist in road freight between Scandinavia and Eastern Europe, the Balkan countries, Turkey, and the Middle East. The company is particularly recognised for its competencies and track-record of servicing customers on complex trade lanes.

Consideration transferred
The total considerations consist of cash payments of DKK 100.9 million, settled in connection with the transactions.

Adjusted for the fair value of acquired cash and cash equivalents of DKK 11.2 million, the net cash flow amounted to DKK 89.7 million (outflow).

Cargorange Sweden AB, Twente Express Limited and Neptun Transport A/S (DKKm)	**Fair values at date of acquisition**
Property, plant and equipment	2.2
Right-of-use assets	21.9
Other receivables	1.0
Trade receivables	49.2
Cash and cash equivalents	11.2
Total assets	**85.5**
Financial liabilities	0.4
Lease liabilities	21.9
Deferred tax liabilities	0.1
Corporation tax	0.4
Trade payables	32.0
Other payables	22.1
Total liabilities	**76.9**
Non-controlling interests' share of acquired net assets	0.3
Acquired net assets	**8.3**
Fair value of consideration	100.9
Goodwill arising from the acquisition	**92.6**

Notes

7.1 Acquisition and disposal of entities – continued

Earnings impact
During the respective periods after acquisition, the companies contributed with DKK 277.0 million to the Group's revenue, DKK 16.1 million to the Group's adj. EBIT and DKK 12.9 million to the result after tax. If the acquisition had taken place 1 January 2021 the Group's revenue would have amounted to DKK 7,382.4 million and result after tax would have amounted to DKK 389.7 million.

Transaction costs
No material transactions costs were recognised during the period.

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 below.

Fair value of acquired trade receivables and other receivables amounts to DKK 50.2 million. Collectability of receivables has been assessed based on Group credit assessment policies. In total DKK 0.4 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 Twente Express Limited and Neptun Transport A/S 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.

Acquisitions in 2020
Ebrex Business Solutions
On 27 February 2020, NTG completed the acquisition of 85% of the shares in Ebrex Business Solutions Ltd. and its subsidiaries (Ebrex Group). The acquisition marks another important step for the Group towards becoming a market leader within freight forwarding services in the Nordics and Europe.

Consideration transferred
The total consideration consists of a cash payment of DKK 111 million and a loan of DKK 5 million for settlement during 2020.

Adjusted for the fair value of acquired cash and cash equivalents of DKK 8.7 million, the net cash flow amounted to DKK 102.8 million (outflow).

For further details on the Ebrex Business Solutions acquisition please refer to note 7.1 of the Group's Annual Report 2020.

Ebrex Business Solutions **(DKKm)**	**Fair values at date of acquisition**
Intangible assets	2.3
Property, plant and equipment	24.3
Right-of-use assets	62.7
Deferred tax assets	0.3
Other receivables	12.5
Trade receivables	75.7
Cash and cash equivalents	8.7
Total assets	**186.5**
Financial liabilities	13.9
Lease liabilities	62.7
Deferred tax liabilities	0.1
Corporation tax	0.6
Trade payables	35.1
Other payables	20.8
Total liabilities	**133.2**
Non-controlling interests' share of acquired net assets	9.4
Acquired net assets	**43.9**
Fair value of consideration	116.7
Goodwill arising from the acquisition	**72.8**

Notes

7.1 Acquisition and disposal of entities – continued

Saga Trans AS and TB International Transport Ltd.
On 30 November 2020, NTG acquired a 100 % ownership interest in the Norwegian based transport company Saga Trans AS. The company operates mainly with transports between Norway and Italy. The acquisition marks an important step in strengthening NTG's presence in the Norwegian market.

On 1 December 2020, NTG acquired 100 % ownership in the Finnish based transport company TB International Transport Ltd. The company specialises in cross-border transportation between Finland and Western Europe, most notably Germany, the Netherlands and France. With the acquisition of TB International, NTG is adding scale and skills to our Finnish setup for the second time since we entered the Finnish market in 2015.

Information about the acquisitions of Saga Trans AS and TB International Transport Ltd. are disclosed in aggregate.

Consideration transferred
The total consideration transferred amounted to DKK 54.7 million. Adjusted for the fair value of cash and cash equivalents acquired of DKK 5.1 million, the net cash flow amounted to 49.6 million (outflow).

For further details on the Saga Trans AS and TB International Transport Ltd. acquisition please refer to note 7.1 of the Group's Annual Report 2020.

Saga Trans AS and TB International Transport Ltd. **(DKKm)**	**Fair values at date of acquisition**
Property, plant and equipment	1.3
Right-of-use assets	0.4
Other receivables	0.8
Trade receivables	17.3
Cash and cash equivalents	5.1
Total assets	**24.9**
Lease liabilities	0.4
Trade payables	10.7
Other payables	1.3
Total liabilities	**12.4**
Non-controlling interests' share of acquired net assets	0.0
Acquired net assets	**12.5**
Fair value of consideration	54.7
Goodwill arising from the acquisition	**42.2**

7.2 Non-controlling interest

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 "Ring-the-bell" concept) or a corresponding cash consideration. The swaps are subject to an offer from non-controlling subsidiary shareholders and an acceptance from NTG's Executive Management.

A total equity value of DKK 4.1 million was acquired from non-controlling interests in 2021. In addition to various minor transaction with non-controlling interest in the course of maintaining the Group's partnership structure, the following noteworthy transactions were carried out during 2021:

- Continuation of the "Ring-the-bell" process in NTG Polar Road in Finland, whereby the second of five tranches in the subsidiary was acquired by NTG.
- Continuation of the "Ring-the-bell" process in NTG Polar Road in Poland, whereby the second of five tranches in the subsidiary was acquired by NTG.
- Initiation of the "Ring-the-bell" process in NTG Nielsen & Sørensen A/S, whereby the first of five tranches in the subsidiary was acquired by NTG.

Total consideration paid for acquisition of shares from non-controlling interests totalled DKK 69.9 million, yielding a difference value of DKK -28.9 million recognised on shareholder's share of equity.

On 31 December 2021, no non-controlling interests in any of the Group's subsidiaries are material to the consolidated financial statements.

Notes

8. Other disclosures

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements.

8.1 Remuneration of the Executive Board and the Board of Directors

The composition of the remuneration to the members of the Board of Directors and the Executive Management is aimed at contributing to retaining and motivating management members and to ensure the maximisation of shareholder value by promoting and supporting achievement of strategic objectives for the Group following general trends in the society. The remuneration paid in 2021 follows the framework defined by the Remuneration Policy, available at investor.ntg.com, approved at the Annual General Meeting 16 April 2020. Base salary paid to Key Management personnel in 2021 totals DKK 4.7 million (2020: DKK 6.9 million).

The Board of Directors only receives short-term benefits. Executive Management also receive other remuneration components. Total short-term benefits to the Board of Directors and Executive Management was DKK 6.8 million in 2021 (2020: DKK 9.3 million). Total remuneration to the Board of Directors and Executive Management was DKK 9.7 million in 2021 (2020: DKK 11.7 million).

For the financial year 2021, the Group has published a Remuneration Report, investor.ntg.com, in accordance with the new requirements of section 139b of the Danish Companies Act implementing the Shareholders Rights Directive.

Remuneration to the Executive Management

Total remuneration paid to the Group's Executive Management is given below. Employment agreements with members of the Executive Management are without time limitation and can generally not exceed 12 months on the part of the Company and 6 months on the part of the individual member of Executive Management. For further information on remuneration composition etc., reference is made to the Group's Remuneration Report.

(DKKm)	2021	2020
Base salary	4.7	6.9
Pensions and Benefits	0.5	1.8
Short-term cash incentive	2.1	0.0
Share based Payments	0.3	0.6
Executive Management Board total	**7.6**	**9.3**

Due to a structural change during 2020, the number of members in Executive Management has decreased from 3 in 2020 to 2 in 2021.

Remuneration to the the Board of Directors

Total remuneration paid to the Group's Board of Directors is given below. For further information on remuneration composition, reference is made to the Group's Remuneration Report.

(DKKm)	2021	2020
Fixed annual fee	1.9	2.2
Additional fixed fee	0.2	0.2
Additional ad hoc fee	0.0	0.0
Board of Directors	**2.1**	**2.4**

8.2 Share-based payment programs

Accounting policies

Employee services received in exchange for share based payments granted correspond to fair value on the grant date. Share-based payments are either equity or cash settled and recognised in the income statement as staff costs over the vesting period.

The fair value is determined using the Black & Scholes valuation model measured on the grant date. Valuation assumptions take into account terms and conditions applicable to the share options and warrants, and Management's expectations on the input variables. Estimated volatility is based on a peer review, adjusted for NTG specific factors. A total of 23 employees held share options or warrants on 31 December 2021 (2020: 3 employees).

No share options or warrants were open for exercise on 31 December 2021. The average share price for warrants exercised during the year was 511.0. NTG Nordic Transport Group A/S has the right to settle share-based payment programs in either cash ofr shares when exercised. Non-vested share options or warrants will, in certain circumstances, lapse in connection with a participant's termination of employment.

Agreements with employees regarding share-based remuneration also include provisions that entitle the employee to premature exercise of the instrument in a change of control scenario.

Valuation of the share-based payments granted in 2021 and 2020 is based on assumptions disclosed in the following table:

Assumptions	2021	2020
Share price	180.0 to 285.0	172.0
Volatility	22.5%	22.5%
Risk-free interest rate	0.0%	0.0%
Expected dividends	0.0%	0.0%
Expected duration (years)	4.1	7.3

Notes

8.2 Share-based payment programs – continued

Expenses arising from share-based payments transactions
Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense totaled DKK 7.6 million (2020: DKK 1.3 million).

Share options program 2021
Granted share options generally have a three-year vesting period followed by a two-year exercise period. Options are granted to key employees in the organisation with the goal of motivation and retention, including alignment of interests with NTG Nordic Transport Group A/S' shareholders.

Warrants program 2020
To secure long-term incentives associated with the granted warrants, the program was amended during 2021, mainly by condensing the program from 10 to 5 tranches, including the associated vesting periods. Exercise periods were simultaneously brought forward, and a previous accelerated vesting condition was waived. According to the amended program, warrants are granted in tranches vesting during a period of one to five years, each vesting tranche being followed by a three-year exercise period. On the grant date an estimate is performed over the number of warrants expected to vest. This number is subsequently adjusted to match the actual number of warrants earned. The value of warrants will be capped at a maximum of DKK 143 per warrant on average. The total number of warrants granted under the program will not exceed 700,000.

Outstanding programs

	Warrants	Share options	Total	Average exercise price per option
Outstanding at 1 January 2020	146,363	0	146,363	89.0
Granted	700,000	0	700,000	172.0
Exercised	0	0	0	0.0
Options waived/expired	-55,904	0	-55,904	89.0
Outstanding at 31 December 2020	**790,459**	**0**	**790,459**	**162.5**
Outstanding at 1 January 2021	790,459	0	790,459	162.5
Granted	0	89,500	89,500	228.5
Exercised	-140,000	0	-140,000	172.0
Options waived/expired	0	-4,000	-4,000	162.5
Outstanding at 31 December 2021	**650,459**	**85,500**	**735,959**	**168.7**

Warrants program 2019
In 2019 members of the Group's Executive Management Board were granted a one-off warrants program in connection with listing of the Group on Nasdaq OMX Copenhagen on 7 October 2019. The program's purpose is to retain members of the Executive Management Board by providing an incentive to service the Group for a period at least until vesting and to align interests with shareholders.

The program has a three-year vesting period and NTG Nordic Transport Group A/S has the right to settle warrants in either cash or shares when exercised.

2021 LTIP to executive Management
Share options awarded under the 2021 LTIP will be granted in 2022. Pursuant to Section 5.8.5 of the Remuneration Policy, the exercise price relevant for establishing the actual number of share options granted for 2021 shall be determined as the average share price of the shares of the Company for the 10-day trading period following the publication of the Company's annual report for 2021. Using an estimated exercise price of 387.0, based on the reference share price (being the average closing price in the last 10 days up to and including 8 March 2022), indicates that an estimated 71,000 options will be granted under the 2021 LTIP. The expected grant date is 24 March 2022 resulting in a 2-year exercise period starting on 24 March 2025. Options expected to be granted under the 2021 LTIP will be recognised from the grant date in 2022, and are not included in the table above.

Share-based payment programs

Year	Type of program	Options granted	Exercise period	Exercise price	Market value at grant date (DKKm)	At 31 December 2021 Remaining duration (years)
2019	Warrants	146,363	07.10.2022-07.10.2025	89.0	3.9	2.3
2020	Warrants	700,000	01.10.2023-30.09.2028	172.0	12.4	3.3
2021	Share options	89,500	18.11.2023-18.11.2026	180.0 to 285.0	3.6	3.1

Notes

8.3 Pension obligations

Accounting policies

The pension obligations of most Group entities are covered by independent pension funds or insurance contracts (defined contribution plans) to which Group companies pay regular contributions. For a few Group companies, pension obligations are not covered or only partly covered by insurance (defined benefit plans).

For defined-benefit plans, the net present value is only calculated for those benefits by employees up until the balance sheet date. The present value of future pension payments is estimated actuarially and shown net of the fair value of any plan assets in the balance sheet as pension obligations.

Differences between estimated pension assets and liabilities and their realised values are termed actuarial gains and losses. Actuarial gains and losses are recognised in the statement of other comprehensive income.

Changes in benefits earned to date are actuarially calculated and expensed immediately when the employees have already earned the right to the changed benefits. Otherwise, they are recognised in the income statement over the period during which the employees earn the right to the benefits.

Net value of pension plans

(DKKm)	2021	2020
Present value of pension liabilities	198.5	259.9
Fair value of plan assetsr	-80.0	-110.1
Net value of pension plans	**118.5**	**149.8**

Accounting estimates and judgments

Generally, pension plans within the Group are defined contribution plans, where contributions are recognised in the income statement on an accrual basis. These types of pension plans do not require material estimates.

For defined benefit plans, annual actuarial calculations are made of the net present value of future benefits to be paid under the plan. The net present value is calculated based on assumptions of the future developments of salary, interest, inflation, and mortality rates. Assumptions are assessed at the reporting date and changes in these assumptions may significantly affect the liabilities and pension cost under defined benefit plans.

Below is shown the most important assumptions made when determining the net present value of the defined benefit plans and a sensitivity analysis relating to these assumptions.

Most important assumptions for actuarial calculations

	Germany	Switzerland	Weighted average
Discount rate	1.18%	0.35%	0.75%
Future salary increase	2.00%	0.50%	1.21%
Mortality prognosis table at 31 December	RT Heubeck 2018G	BVG 2020 GT	

Under defined benefit plans, the employer is obliged to pay a defined benefit (for example a fixed percentage of an employee's final salary) to the employee after retirement. The Group thereby carries a risk with respect of future developments in interest rates, inflation, mortality and disability.

Notes

8.3 Pension obligations – continued

Pensions liabilities

(DKKm)	2021	2020
Present value at 1 January	259.9	269.8
Foreign exchange adjustment	5.6	-0.8
Contributions to the plan	3.8	6.7
Expensed in the income statement	2.3	4.4
Calculated interest	1.5	1.6
Actuarial loss/(gain) change in demographic assumptions	-3.5	0.0
Actuarial loss/(gain) change in financial assumptions	-7.5	6.0
Actuarial loss/(gain) experience adjustments	-13.0	0.1
Benefits paid through pension assets	-44.0	-27.9
Settlements during the year	-6.6	0.0
Present value at 31 December	**198.5**	**259.9**

Sensitivity analysis on reported pension liabilities

(DKKm)	2021	2020
Discount rate +0,5 %	-9.0	-12.1
Discount rate -0,5 %	10.0	13.6
Future remuneration +0,5 %	0.4	0.7
Future remuneration -0,5 %	-0.6	-0.9

Defined benefit plans in the Group are only related to Germany and Switzerland. The pension plan in Germany accounts for 81 % of the net liability at year-end and is closed for further accrual of benefits by the company's employees. Remaining plan participants in Germany receive benefit based on past service. In Switzerland, the pension plan is a result of the Swiss pensions system's "second pillar", and offers old age pensions, survivors' and invalidity insurance. The plan is a fully insured BVG plan according to Swiss Federal Law on Occupational Benefits, meaning that the full actuarial risk is re-insured with a third-party life-insurance company.

The Group's plans are funded in accordance with applicable local legislation. At 31 December 2021 the Group has covered 40.3 % of the pension liability.

Fair value of pension plan assets

(DKKm)	2021	2020
Fair value at 1 January	110.1	116.9
Foreign exchange adjustment	4.0	-0.2
Calculated interest	0.2	0.3
Return on plan assets in addition to calculated interest	-2.0	5.9
Contributions to the plan	6.8	10.4
Benefits paid through pension assets	-39.1	-23.2
Fair value 31 December	**80.0**	**110.1**

Specification of plan assets

(DKKm)	2021	2020
Insurance contract	80.0	110.1
Cash	0.0	0.0
	80.0	**110.1**

The expected contributions to the Group's plans for 2022 are DKK 8.3 million and the expected average duration of the obligations is 9.9 years.

	2021		
(DKKm)	Defined contribution plans	Defined benefit plans	Total
Staff cost	24.7	2.3	27.0
Financial expenses	0.0	1.3	1.3
	24.7	**3.6**	**28.3**

	2020		
(DKKm)	Defined contribution plans	Defined benefit plans	Total
Staff cost	20.3	4.4	24.7
Financial expenses	0.0	1.3	1.3
	20.3	**5.7**	**26.0**

Notes

8.4 Fees to auditors appointed at the Annual general meeting

(DKKm)	2021	2020
Statutory audit	5.4	3.2
Tax and VAT advisory services	0.1	0.2
Other Services	0.6	0.2
Total fees to auditors appointed at the Annual General Meeting (PwC)	**6.1**	**3.6**

Fees for non-audit services delivered by PricewaterhouseCoopers, Statsautoriseret Revisionspartnerselskab (PwC), include due diligence services and general accounting and tax advisory services.

(DKKm)	2021	2020
Statutory audit	1.2	0.5
Tax and VAT advisory services	0.0	0.1
Other Services	0.1	0.3
Others, total fees	**1.3**	**0.9**

8.5 Related party transactions

The Group's related parties include the Group's Board of Directors, Executive Board and close family members of these persons. Related parties also include companies in which this circle of persons has significant interests. The Group has no related parties with control of the Group.

Management remuneration is disclosed in note 8.1.

The Group had the following transactions with related parties during the financial year:

(DKKm)	2021	2020
Purchase of other services from related parties	-0.2	-2.1
Rent and leasing obtained from related parties	-3.0	-17.6

The Group had the following balances towards related parties at 31 December 2021:

(DKKm)	2021	2020
Receivables towards related parties	0.0	0.3
Liabilities towards related parties	0.0	-0.3

8.6 Commitments and contingent liabilities

A contingent liability is a potential liability that may occur depending on the outcome of an uncertain future event. A contingent liability is recognised in the balance sheet if the contingency is probable and the amount of the liability can be reasonably estimated.

The Group had commitment and contingent liabilities at 31 December 2021 of:

Claims
The Group is party to legal proceedings and inquiries from authorities when investigation various issues. The outcome of such is not expected to have a significant effect on profit for the year and assessment of the Group's financial position.

Charges and security
The Group has provided bank guarantees to authorities and suppliers related to customs bond and rental agreements.

As of 31 December 2021, all liabilities related to bank guarantees amounted to DKK 44.2 million (2020: DKK 59.9 million) whereof DKK 25.4 million (2020: DKK 5.8 million) is already recognised in the balance sheet or described in note 4.3.

Pledges
At 31 December 2021, property, plant and equipment with a carrying value of DKK 3.8 million were pledged as security (2020: DKK 4.0 million).

Notes

8.7 Events after the reporting period

No events have occurred after the reporting period of importance to the consolidated financial statements.

Notes

8.8 Group structure

Name of entity	Place of business / Country of incorporation	Ownership % by the ultimate parent company
Parent		
NTG Nordic Transport Group A/S	Denmark	0%
Subsidiaries		
Nordic Transport Group A/S	Denmark	100%
NTG Nordic A/S	Denmark	100%
NTG Continent A/S	Denmark	100%
NTG East A/S	Denmark	100%
NTG Frigo A/S	Denmark	100%
NTG Air & Ocean A/S ●●	Denmark	91%
NTG Projects A/S ●●	Denmark	51%
NTG Terminals I A/S ●●	Denmark	71%
NTG Terminals II A/S ●●	Denmark	80%
NTG Ocean International A/S ●●	Denmark	85%
NTG Courier A/S ●●	Denmark	84%
NTG Domestic A/S ●●	Denmark	81%
NTG Nielsen & Sørensen A/S ●●	Denmark	61%
NTG Frigo East ApS ●●	Denmark	61%
Neptun Transport A/S ●●	Denmark	75%
LGT Base Aps	Denmark	100%
LGT Logistics A/S	Denmark	100%
NTG Continent AB	Sweden	100%
NTG East AB	Sweden	100%
NTG Solution AB	Sweden	100%
NTG Domestics AB ●●	Sweden	71%
NTG Logistics AB	Sweden	100%
NTG Road Sweden AB	Sweden	100%
NTG Växjö AB ●●	Sweden	73%
NTG Turkey AB	Sweden	100%
NTG Air & Ocean AB ●●	Sweden	75%
NTG Ebrex Sweden AB	Sweden	100%
NTG Cargorange AB	Sweden	100%
LGT Group AB	Sweden	100%
LGT Mid AB	Sweden	100%
LGT Base AB	Sweden	100%
LGI Logistics Intressenter AB	Sweden	100%
LGT Logistics AB	Sweden	100%
Transportsektionen Sverige AB	Sweden	100%
NTG Air & Ocean GmbH	Germany	100%
NTG FTS GmbH	Germany	74%
NTG Road GmbH	Germany	100%
Polar Logistics GmbH	Germany	80%
NTG Multimodal GmbH	Germany	100%
NTG Ebrex GmbH	Germany	100%
NTG Packaging Solutions GmbH	Germany	100%
S.A. Trucking GmbH	Germany	100%
Polar Logistics International Oy ●●	Finland	80%
NTG Polar Road Oy ●●	Finland	87%
Kiinteistö Oy Euro Speed	Finland	87%
NTG Air & Ocean Oy ●●	Finland	70%
LGT Logistics Oy	Finland	100%
NTG Eood	Bulgaria	100%
NTG Continent Eood	Bulgaria	100%
Polar Logistics Bel OOO	Belarus	80%
NTG Holding AG	Switzerland	100%
Gondrand International AG	Switzerland	100%
NTG Gondrand Customs AG	Switzerland	100%
NTG Road AG	Switzerland	100%
NTG Air & Ocean AG	Switzerland	100%
NTG Air & Ocean (Shanghai) Limited	China	100%
NTG Air & Ocean (Shenzhen) Limited	China	100%
Gondrand a.s.	Czech Republic	100%
NTG Road Czech s.r.o.	Czech Republic	100%
NTG Transport Oü ●●	Estonia	76%
NTG Air & Ocean Oü	Estonia	93%
NTG Ebrex Spain S.L.	Spain	100%

In respect of the Danish Financial Statements Act section 107, it is above designated which non-100% owned subsidiaries where Michael Larsen (●) and Christian D. Jakobsen (●) hold Board positions.

Notes

Name of entity	Place of business / Country of incorporation	Ownership % by the ultimate parent company
Go Trans SAS	France	100%
NTG Air & Ocean (Hong Kong) Limited	Hong Kong	100%
Neptune Logistics (Worldwide) Limited	Hong Kong	100%
Go Speed Limited (Hong-Kong)	Hong Kong	100%
Golden Ocean Line limited	Hong Kong	100%
NTG Gondrand Kft.	Hungary	100%
NTG Transport SRL	Italy	100%
NTG Air & Ocean Japan Inc. ●●	Japan	85%
Polar Eurasia TOO	Kazakhstan	80%
NTG Lithuania UAB	Lithuania	53%
NTG Logistics LT UAB	Lithuania	53%
LGT Logistics UAB	Lithuania	100%
NTG Latvia Sia ●	Latvia	80%
NTG Logistics B.V.	Netherlands	100%
NTG Air & Ocean Netherlands B.V. ●●	Netherlands	79%
NTG Road B.V. ●●	Netherlands	74%
Ebrex Packaging Solutions B.V.	Netherlands	100%
NTG Road Norway AS ●●	Norway	83%
NTG Air & Ocean AS ●●	Norway	90%
NTG Polar Road Sp. z o.o. ●●	Poland	71%
NTG Air & Ocean Sp. z o.o. ●●	Poland	55%
NTG Ebrex Polska Sp. z o.o.	Poland	100%

Name of entity	Place of business / Country of incorporation	Ownership % by the ultimate parent company
NTG Ebrex Transport Sp. z o.o.	Poland	100%
NTG Ebrex Logistics Sp. z o.o.	Poland	100%
Polar Logistics Region ZAO	Russia	80%
Polar Logistics Solution OOO	Russia	80%
NTG Services s.r.o	Slovakia	85%
NTG Uluslararasi Lojistik Ltd.	Turkey	60%
NTG Air & Ocean Turkey	Turkey	100%
Ebrex Logistics Tasimacilik ve	Turkey	100%
Polar Logistics Ukraine TOO	Ukraine	80%
NTG Road UK Limited ●●	United Kingdom	81%
NTG (UK Holding) Limited	United Kingdom	100%
NTG Air & Ocean UK LTD	United Kingdom	100%
Ebrex Business Solutions Limited	United Kingdom	100%
Ebrex UK LTD	United Kingdom	100%
Chad Holding	United Kingdom	100%
Twente Express Limited	United Kingdom	100%
NTG Air & Ocean USA, Inc. ●●	Unites States	88%
NTG Air & Ocean ATL, LLC	Unites States	86%
NTG Air & Ocean EWR LLC	Unites States	88%
NTG Air & Ocean DTW LLC	Unites States	88%
NTG Air & Ocean ORD LLC	Unites States	79%
NTG Air & Ocean DEN LLC	Unites States	83%

Name of entity	Place of business / Country of incorporation	Ownership % by the ultimate parent company
NTG Air & Ocean Vietnam Limited	Vietnam	51%
Associates		
ATS Air Transport Service AG	Switzerland	26%

In respect of the Danish Financial Statements Act section 107, it is above designated which non-100% owned subsidiaries where Michael Larsen (●) and Christian D. Jakobsen (●) hold Board positions.

Definition of financial highlights

Financial ratios and key figures are prepared in accordance with recommendations and guidelines issued by the Danish Society of Financial Analysts with the addition of other financial ratios deemed relevant for understanding the Group's financial performance and situation. Environmental, social and governmental key figures and ratios are defined in NTG sustainability report 2021 to which reference is made.

Key figures for financial position

Net working capital
Receivables and other current operating assets less trade payables and other current operating liabilities

Net interest-bearing debt
Interest bearing debt less cash and cash equivalents

Interest bearing debt less cash and cash equivalents
Net interest-bearing debt less effects of lease liabilities recognised under IFRS 16

Invested capital
NWC with the addition of property, plant and equipment, right-of-use assets, intangible assets including goodwill less long-term provisions, pensions and similar obligation.

Net financial expenses
Financial income less financial expenses

Special items
Comprise significant income and expenses of an exceptional nature relative to the Group's ordinary operations or costs related to investment in future activities. See note 2.7 for additional details on items included

Adjusted free cash flow
Free cash flow adjusted for net acquisition, lease liability repayments and special items

Non-controlling interests' share of adj. EBIT
Share of individual subsidiaries' contribution to the Group's adj. EBIT allocated to non-controlling interests for the given subsidiary calculated using ownership percentages at the balance sheet date.

Financial ratios

Gross margin = $\frac{\text{Gross profit x 100}}{\text{Net revenue}}$

Operating margin = $\frac{\text{Operating profit before special items x 100}}{\text{Net revenue}}$

Conversion ratio = $\frac{\text{Operating profit before special items x 100}}{\text{Gross profit}}$

Effective tax rate = $\frac{\text{Tax on profit for the year}}{\text{Profit before tax}}$

Return on invested capital (ROIC) before tax = $\frac{\text{Operating profit (EBIT) before speical items x 100}}{\text{Average invested capital}}$

Return on equity = $\frac{\text{Profit for the year x 100}}{\text{Average equity}}$

Solvency ratio = $\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$

Leverage ratio = $\frac{\text{Net interest-bearing debt}}{\text{Operating profit before amortisation and depreciation (EBITDA), before special items}}$

Earnings per share = $\frac{\text{Profit attributable to shareholders in NTG Nordic Transport Group A/S}}{\text{Average number of shares in circulation}}$

Diluted earnings per share = $\frac{\text{Profit attributable to shareholders in NTG Nordic Transport Group A/S}}{\text{Diluted average number of shares in circulation}}$

Reports

Statement of the Board of Directors and the Executive Board | Independent Auditor's Report

Statement of the Board of Directors and the Executive Board

The Board of Directors and Executive Board have considered and adopted the Annual Report of Nordic Transport Group A/S for the financial year 1 January - 31 December 2021.

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and the Parent Company Financial Statements have been prepared in accordance with the Danish Financial Statements Act. Management's Review has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Group and the Parent Company and of the results of the Group and Parent Company operations and consolidated cash flows for the financial year 1 January - 31 December 2021.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the year and of the financial position of the Group and the Parent Company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent Company.

In our opinion, the Annual Report of Nordic Transport Group A/S for the financial year 1 January to 31 December 2021 with the file name NTG-2021-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Hvidovre, 9 March 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 Præstensgaard
Board member

Karen-Marie Katholm
Board member

Independent Auditor's Reports

To the shareholders of
NTG Nordic Transport Group A/S

Report on the audit of the Financial Statements

Our opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 31 December 2021 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2021 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 31 December 2021 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2021 in accordance with the Danish Financial Statements Act.

Our opinion is consistent with our Auditor's Long-form Report to the Audit Committee and the Board of Directors.

What we have audited

The Consolidated Financial Statements of NTG Nordic Transport Group A/S for the financial year 1 January to 31 December 2021 comprise the consolidated income statement and statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated cash flow statement and the notes, including summary of significant accounting policies.

The Parent Company Financial Statements of NTG Nordic Transport Group A/S for the financial year 1 January to 31 December 2021 comprise the income statement, the balance sheet, the statement of changes in equity and the notes, including summary of significant accounting policies.

Collectively referred to as the "Financial Statements".

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's responsibilities for the audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge and belief, prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 were not provided.

Appointment

We were first appointed auditors of NTG Nordic Transport Group A/S on 16 April 2020 for the financial year 2020. We have been reappointed annually by shareholder resolution for a total period of uninterrupted engagement of 2 years including the financial year 2021.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements for 2021. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

Revenue recognition and accrued cost of services
The Group's revenue consists primarily of services, i.e. transportation of goods between destinations, which by nature is rendered over a period of time. The determination of timing of revenue recognition is dependent on the application of the Group's accounting policies and terms in customer contracts.

We focused on this area because the process of accruing for services rendered around the balance sheet date (accrued cost of services) is complex and dependent on Management accounting estimates and relevant controls in certain operational systems.

Reference is made to notes 2.2 and 2.3 to the Consolidated Financial Statements.

How our audit addressed the key audit matter
Our audit procedures included assessing the accounting policies for revenue recognition applied by Management.

We tested relevant internal controls, including IT controls, concerning the timing of revenue recognition and evaluated whether these were designed in line with the Group's accounting policies and were operating effectively.

We selected a sample of revenue transactions during the year and traced these to underlying evidence. In addition, we used data auditing tools to identify non-standard transactions and examined these.

For revenue, we examined reports concerning services in progress and challenged the estimates made by Management in this regard. For accrued cost estimates in prior periods, we performed look back procedures to evaluate the precision in the estimates of accrued costs.

Key audit matter

Business combinations
In 2021, LGT Group was acquired with accounting effect as at 1 September 2021. Management prepared a purchase price allocation for the acquisition, resulting in assets and liabilities being separately recognised and valued in the opening balance sheet.

We focused on this area as identification and measurement of assets and liabilities related to the business acquisitions are based on significant accounting estimates made by Management.

Reference is made to note 7.1 to the Consolidated Financial Statements.

How our audit addressed the key audit matter
Our audit procedures included assessing the accounting policies applied by Management.

We verified the assets and liabilities recognised in the opening balance sheet, including the completeness thereof, by performing audit procedures in relation to the opening balance sheet.

We assessed the method used by Management to identify and measure assets and liabilities, and we challenged the assumptions applied, using our knowledge and professional scepticism.

Finally, we assessed the adequacy of disclosures relating to the business acquisitions.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Moreover, we considered whether Management's Review includes the disclosures required by the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on compliance with the ESEF Regulation

As part of our audit of the Financial Statements we performed procedures to express an opinion on whether the annual report of NTG Nordic Transport Group A/S for the financial year 1 January to 31 December 2021 with the filename NTG-2021-12-31-en.zip is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;
- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for all financial information required to be tagged using judgement where necessary;
- Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human-readable format; and
- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements;
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements.

In our opinion, the annual report of NTG Nordic Transport Group A/S for the financial year 1 January to 31 December 2021 with the file name NTG-2021-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Hellerup, 9 March 2022

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no 3377 1231

Flemming Eghoff	Morten Jørgensen
State Authorised	State Authorised
Public Accountant	Public Accountant
mne30221	mne32806

Parent Company financial statements

Income Statement | Balance Sheet | Statement of Changes in Equity | Accounting policies | Notes

Income Statement

(DKKm)	Note	2021	2020
Net revenue	1	80.9	70.9
Other external expenses		-44.8	-40.7
Gross profit		**36.1**	**30.2**
Staff costs	2	-56.2	-41.0
Operating profit		**-20.1**	**-10.8**
Impairment of financial assets	5	0.0	-63.0
Financial income	3	181.2	118.0
Financial costs	3	-26.1	-12.8
Profit before tax		**135.0**	**31.4**
Tax on profit for the year	4	4.7	4.9
Profit for the year		**139.7**	**36.3**
Proposed distribution of result			
Transferred to equity reserves	6	139.7	36.3
Total distribution		**139.7**	**36.3**

Balance Sheet

(DKKm)	Note	2021	2020
Assets			
Investments in Group companies	5	2,317.6	2,075.8
Receivables from Group companies	7	258.2	0.0
Deferred tax assets	8	22.3	0.0
Total non-current assets		**2,598.1**	**2,075.8**
Receivables from Group companies		224.4	233.2
Corporation tax. receivable		5.4	0.1
Other receivables		4.4	5.3
Cash and cash equivalents		0.0	70.5
Total current assets		**234.2**	**309.1**
Total assets		**2,832.3**	**2,384.9**

(DKKm)	Note	2021	2020
Equity and Liabilities			
Share capital	9	453.0	453.0
Reserves		1,555.2	1,503.5
Total equity		**2,008.2**	**1,956.5**
Payables to Group companies	10	31.0	0.0
Financial liabilities	11	100.0	0.0
Total non-current liabilities		**131.0**	**0.0**
Credit institutions		110.2	0.0
Financial liabilities	11	0.0	1.6
Trade payables		11.2	14.2
Payables to Group companies	10	557.6	400.0
Other payables		14.1	12.6
Total current liabilities		**693.1**	**428.4**
Total liabilities		**824.1**	**428.4**
Total equity and liabilities		**2,832.3**	**2,384.9**

Statement of Changes in Equity

(DKKm)	Share capital	Share premium	Retained earnings	Total equity
2021				
Equity at 1 January	453.0	0.0	1,503.5	**1,956.5**
Profit for the year	0.0	0.0	139.7	139.7
Share-based payments	0.0	0.0	-39.9	-39.9
Tax on share-based payments	0.0	0.0	28.4	28.4
Purchase of treasury shares	0.0	0.0	-113.1	-113.1
Sale of shares	0.0	0.0	36.6	36.6
Other adjustments	0.0	0.0	0.0	0.0
Equity at 31 December	453.0	0.0	1,555.2	**2,008.2**

(DKKm)	Share capital	Share premium	Retained earnings	Total equity
2020				
Equity at 1 January	448.5	0.0	1,473.2	**1,921.7**
Profit for the year	0.0	0.0	36.3	36.3
Capital increase	4.5	16.9	0.0	21.4
Share-based payments	0.0	0.0	1.3	1.3
Purchase of treasury shares	0.0	0.0	-38.8	-38.8
Sale of shares	0.0	0.0	14.6	14.6
Other adjustments	0.0	-16.9	16.9	0.0
Equity at 31 December	453.0	0.0	1,503.5	**1,956.5**

Notes

Accounting policies

NTG Nordic Transport Group A/S' Parent Company financial statements are disclosed as separate financial statements as required by the Danish Financial Statements Act.

The Annual Report of NTG Nordic Transport Group A/S for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class D .

The Parent Company's Financial Statements for 2021 are presented in DKK million and rounded to the nearest hundred thousand.

The annual report is prepared according to the same accounting policies as last year.

Translation policies
Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Cash flow statement
No separate cash flow statement has been prepared for the Parent Company in accordance with the exemption clause of section 86(4) of the Danish Financial Statements Act.

Income statement
Revenue
Revenue from the sale of services etc. is recognised in the income statement provided that delivery and transfer of risk have been made to the purchaser by year end and provided that the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses
Other external expenses comprise expenses for distribution, sales, marketing, administration, premises, bad debts as well as leases, etc.

Staff costs
Staff expenses comprise wages and salaries as well as payroll expenses.

Income from investments in subsidiaries
Income from investments in subsidiaries consists of dividends from investment in subsidiaries.

Dividends from investments in subsidiaries are measured at cost and are recognised as income in the Parent Company's income statement in the financial year in which the dividend is declared.

Dividends from investment in subsidiaries are recognised as income in the Company's income statement under financial income.

Financial income and costs
Financial income and costs comprise interests, realised and unrealised gain from exchange rates as well as other financial income and expenses.

Tax on profit/loss for the year
Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with its Danish subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance sheet
Investments in subsidiaries
Investments in subsidiaries are measured at cost. If the cost exceeds the recoverable amount, this is written down to a lower value. Any impairment is recognised in the Company's income statement under impairment of financial assets. Dividends from investment in subsidiaries are recognised in the income statement as financial income. Dividends distributed from the subsidiary to the Parent Company are generally recognised in the income statement of the Parent Company only if the distribution arises from earnings obtained after the Parent Company acquired the subsidiary. Dividends relating to earnings earned before the acquisition date are recognised as a reduction to the cost price.

Receivables
Receivables are measured in the balance sheet at amortised cost, which substantially corresponds to nominal value. An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has beenimpaired, an impairment loss is recognised on an individual basis. Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Equity
Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Purchase and sale of treasury shares is recognised directly in the equity. Dividends of treasury shares is recognised directly in retained earnings in the equity.

Deferred tax assets and liabilities
Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Notes

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities
Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the onaccount taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities
Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognisedin the income statement over the term of the loan.

Other payables are measured at amortised cost, substantially corresponding to nominal value.

1. Revenue

(DKKm)	2021	2020
Service revenue	80.9	70.9
Total	**80.9**	**70.9**

2. Staff costs

(DKKm)	2021	2020
Wages and salaries	46.0	38.1
Pensions	0.9	0.8
Share-based payments	7.6	1.3
Social security costs and other staff costs	1.7	0.8
Total	**56.2**	**41.0**
Average number of full time employees	51	46
Full time employees at 31 December	61	45

(DKKm)	2021	2020
Hereoff:		
Remuneration to the Board of Directors	2.1	2.4
Remuneration to the Executive Management	7.3	8.7
Share-based payment, Executive Management	0.3	0.6
Total	**9.7**	**11.7**

3. Financial income and costs

(DKKm)	2021	2020
Interest received from Group companies	9.3	5.8
Other financial income	0.2	0.1
Dividends recieved from Group companies	171.7	112.1
Total financial income	**181.2**	**118.0**
Interest paid to Group companies	4.0	9.3
Exchange differences	2.0	1.6
Other financial costs	20.1	1.9
Total financial costs	**26.1**	**12.8**
Net financials	**155.1**	**105.2**

4. Tax

(DKKm)	2021	2020
Tax for the year can be broken down as follows:		
Current tax	0.9	3.6
Adjustment of deferred tax	3.6	0.0
Adjustment of tax from prior periods	0.2	1.3
Total	**4.7**	**4.9**

Notes

5. Investments in subsidiaries

(DKKm)	2021	2020
Cost at 1 January	2,138.8	3,157.9
Additions	241.8	215.7
Disposals (dividends)	0.0	-1,234.8
Cost at 31 December	**2,380.6**	**2,138.8**
Impairment at 1 January	-63.0	0.0
Impairment recognised during the year	0.0	-63.0
Impairment at 31 December	**-63.0**	**-63.0**
Carrying amount at 31 December	**2,317.6**	**2,075.8**

Management assesses annually whether there is an indication of impairment of investments in subsidiaries. If indications are present, investments will be tested for impairment using the same principles as applied on the Group's goodwill (described in note 5.1 of the Consolidated Financial Statements), involving various estimates on future cashflows, growth, discount rates, etc.

During the year dividends of DKK 171.7 million was received. DKK 0.0 (2020: DKK 1,234.8 million) relates to dividends received where the amount exceeds the earnings during the ownership period and therefore reducing the cost.

An overview of legal entities in NTG Nordic Transport Group A/S appears from the Group structure overview, note 8.8.

6. Proposed distribution of profit

(DKKm)	2021	2020
Retained earnings	139.7	36.3
Total	**139.7**	**36.3**

7. Receivables from Group Companies

(DKKm)	2021	2020
Cost at 1 January	0.0	54.7
Additions	258.2	0.0
Disposals	0.0	-4.3
Transfer to short term	0.0	-50.4
Cost at 31 December	**258.2**	**0.0**
Impairment at 1 January	0.0	0.0
Impairment at 31 December	0.0	0.0
Carrying amount at 31 December	**258.2**	**0.0**

8. Deferred tax assets

(DKKm)	2021	2020
Deferred tax assets at 1 January	0.0	0.0
Deferred tax for the year	3.7	0.0
Tax on changes in equity	18.2	0.0
Other adjustments	0.4	0.0
Deferred tax assets at 31 December	**22.3**	**0.0**

9. Equity

Share capital

Composition and movements of the company's share capital and treasury share reserve is stated in note 6.1 of the Consolidated Financial Statemens.

10. Payables to Group companies

(DKKm)	2021	2020
Due in 1 year	557.6	400.0
Due between 1 and 5 years	31.0	0.0
Due after 5 years	0.0	0.0
Total	**588.6**	**400.0**

11. Financial liabilities

(DKKm)	2021	2020
Due in 1 year	0.0	1.6
Due between 1 and 5 years	100.0	0.0
Due after 5 years	0.0	0.0
Total	**100.0**	**1.6**

Notes

12. Contingent liabilities, other financial obligations and contingent assets

(DKKm)	2021	2020
Future lease payments on operating leases:		
Within 1 year	17.3	17.0
Between 1 and 5 years	68.9	68.2
After 5 years	127.3	144.9
Total	**213.5**	**230.1**

Other contingent liabilities:
The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

At 31 December 2021, the Parent Company has issued parent company guarantees to subsidiaries for a total of DKK 59.5 million (2020: DKK 122.0 million). Guarantees are mainly issued as security for subsidiaries' outstanding balances with certain suppliers.

Other contingent assets:
As described in note 3.2 to the Consolidated Financial Statements, the Parent Company has non-recognised tax loss carry forwards of DKK 1,742 million at year end. At 31 December 2021 the non-recognised deferred tax assets associated with the tax loss carry forwards totalled DKK 383 million (2020: DKK 383 million).

13. Related party transactions

For transactions with related parties, please refer to note 8.5 in the Consolidated Financial Statements. The Parent Company has no related parties with control of the Company and no related parties with significant influence, apart from Key Management Personnel. All transactions with related parties during the period were carried out at market terms. All transactions with other Group Companies carried out in the year are reflected in the income statement and notes.

14. Fee to auditors appointed at the general meeting

(DKKm)	2021	2020
Fees to the company's appointed auditor, PwC:		
Audit fee for statutory and group audit	1.5	0.8
Other assurance and tax advisory services	0.6	0.1
Total	**2.1**	**0.9**

15. Events after the balance sheet date

No significant adjusting events have occurred after the balance sheet date.

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