

NTG acquires Aries Global Logistics, Inc.

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NTG Nordic Transport Group ("NTG") has signed an agreement to acquire 100% of the shares in US-based Aries Global Logistics, Inc. ("AGL").

AGL is an international air and ocean freight forwarder that has developed a brand with domestic and international importers and exporters as well as overseas agents since 1985. Founded by the CEO, Frank D'Ambra, the company is headquartered in New York with an additional eight offices in some of the largest logistics hubs across the US. In addition to air and ocean freight services, AGL offers a range of value-added services including in-house customhouse brokerage and third-party inland transportation and warehousing solutions.

AGL reported a revenue of approximately USD 285 million and an adjusted EBIT of approximately USD 15 million (US GAAP) in the financial year ending 31 December 2021 (not reflecting the impact of IFRS 16, as described below) and has approximately 185 employees.

Transaction overview

- NTG will acquire 100% of the shares in AGL.
- The transaction values 100% of the shares in AGL at USD 70 million on a cash and debt free basis.
- Additional earn-out payments of up to approximately USD 6.7 million and USD 28.3 million contingent on the performance of AGL and NTG's existing US subsidiaries in 2022 (pro forma) and 2023, respectively, subject to certain adjustments. A sustained level of financial performance will result in maximum earn-out payments.
- Estimated IFRS 16 lease liabilities of approximately USD 4 million which will not affect cash settlement.
- Based on preliminary analyses, a tax asset of approximately USD 8 million, utilisable over 15 years, is expected to be recognised in connection with closing of the transaction.
- NTG will finance the purchase price with available cash and credit facilities.
- Closing of the transaction is not subject to approval by competition authorities, however, certain other conditions relating to operating licenses apply.
- Closing of the transaction is expected no later than June 2022.

Following closing of the transaction, NTG's existing US subsidiaries will merge into AGL. Existing minority shareholders of NTG's US subsidiaries will become shareholders in the combined entity, while Frank D'Ambra will continue as CEO following closing of the transaction and combination of AGL and the existing US operations of NTG. Frank D'Ambra and Joe Greco, Executive Vice President and shareholder of AGL, will reinvest a part of their earn-out proceeds in accordance with the principles of NTG's partnership model. Closing of the transaction, completion of mergers, and reinvestments (if any) will not bring minorities' share above 10%.

Based on due diligence and preliminary analyses, NTG expects to achieve annual synergies in the range of USD 2.5-3.5 million once AGL has been fully integrated, related to commercial synergies and cross-selling opportunities, procurement, and productivity gains from IT and standardisation initiatives. Finalisation of integration is expected in H1 2024.

Following closing, further details regarding the impact on NTG's financial outlook for 2022 will be provided.

Adding significant scale in the Air & Ocean division

For NTG, the acquisition of AGL marks a significant next step in the development of the Air & Ocean division. With the acquisition of AGL, NTG doubles the revenue and volumes of its Air & Ocean division, and the transaction significantly strengthens the division's activities globally. AGL's company culture, decentralised setup, and corporate values resemble those of NTG, and the acquisition represents a new stronghold that will support both companies in accelerating growth in the US and abroad.

Søren Holck Pape, CEO of NTG's Air & Ocean division, comments:

"We are very pleased and proud to welcome the employees of AGL to NTG", says Søren Holck Pape, CEO of the Air & Ocean division at NTG. "The acquisition of AGL is a milestone transaction for NTG, and it is a testimony to our ambitions of expanding the Air & Ocean division globally. With this acquisition, we significantly increase our global scale and footprint in the US, and we accelerate the development of our US entities and employees, who built a successful platform from scratch in less than four years. Similarly, AGL's global network, one-stop-shop concept, and profound customer relationships are proof points to the successful track record of the company and its employees, and I am confident that this partnership will result in many new opportunities in the future".

Frank D'Ambra, founder and CEO of AGL, comments:

"AGL and NTG are a great match for many reasons, most importantly because of the corporate and personal values we share", says Frank D'Ambra, founder and CEO at AGL. "In making this decision, it was paramount for us to ensure the stability and continuity of the business for our customers, partners, and employees. Without them we would not have been able to accomplish what we did, and I am very grateful for their loyalty and support throughout the years. Although NTG will become the new owner of AGL, I will continue in my current role, supporting NTG in developing the

operations in the US and abroad, and I will continue to support the customers, partners, and employees of NTG and AGL in managing the complexities of global transport. I look very much forward to embarking on this new chapter in the history of AGL, and to leverage the scale and geographical coverage of NTG to expand our offering and business even further”.

Conference call

NTG invites equity analysts and investors to participate in a conference call on 30 March 2022 at 12:30 PM CEST. The conference call will be held in English and can be followed live via NTG’s website; investor.ntg.com.

About NTG

NTG is a global freight forwarding company offering customised transport solutions by road, rail, air, and ocean. We have a global reach based on c. 1,900 dedicated employees situated locally in more than 20 countries who service customers worldwide. For further information, please visit www.ntg.com.

About AGL

AGL is a full-service air and ocean freight forwarder in the US offering end-to-end freight solutions globally. The company has nine offices in some of the largest logistics hubs in the US and approximately 185 employees. For further information, please visit www.ariesgl.com.

Additional information

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Attachment

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