

# Consolidated Interim Report Q3 2023 – NTG Nordic Transport Group A/S



## Q3 2023 highlights

- Total growth in net revenue of negative 30.4%, hereof organic growth of negative 28.7%, primarily due to lower freight rates.
- Operating margin of 8.2% in Q3 2023 vs. 7.4% in Q3 2022.
- Road & Logistics remained relatively resilient in a market with declining activity and lower rates.
- Headwinds from challenging market environment persist within Air & Ocean.
- 2023 guidance announced on 3 August 2023 maintained: Adj. EBIT of DKK 600 – 650 million.

## Selected financial information

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

| (DKKm)                | Q3 2023 | Q3 2022 | Change    | YTD 2023 | YTD 2022 | Change    |
|-----------------------|---------|---------|-----------|----------|----------|-----------|
| Net revenue           | 1,963   | 2,821   | -858      | 6,337    | 7,728    | -1,391    |
| Gross profit          | 444     | 533     | -89       | 1,403    | 1,494    | -91       |
| Adj. EBIT             | 161     | 210     | -49       | 459      | 586      | -127      |
| Profit for the period | 114     | 159     | -45       | 307      | 428      | -121      |
| Gross margin          | 22.6%   | 18.9%   | 3.7 p.p.  | 22.1%    | 19.3%    | 2.8 p.p.  |
| Operating margin      | 8.2%    | 7.4%    | 0.8 p.p.  | 7.2%     | 7.6%     | -0.4 p.p. |
| Conversion ratio      | 36.3%   | 39.4%   | -3.1 p.p. | 32.7%    | 39.2%    | -6.5 p.p. |

## NTG Nordic Transport Group A/S

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## Forward looking statement

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

It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a wide range of variables, which could cause actual results to differ materially from those currently anticipated. For a description of significant risks and uncertainties identified by the Group, reference is made to the 2022 Annual Report. Any subsequent developments are reflected in this report.

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## Financial Highlights

| <b>Income statement (DKKm)</b>  | <b>Q3 2023</b> | <b>Q3 2022</b> | <b>YTD 2023</b> | <b>YTD 2022</b> |
|---|----------------|----------------|-----------------|-----------------|
| Net revenue   | 1,963          | 2,821          | 6,337           | 7,728           |
| Gross profit  | 444            | 533            | 1,403           | 1,494           |
| Operating profit before amortisation, depreciation, and special items (adj. EBITDA) | 216            | 266            | 625             | 749             |
| Operating profit before special items (adj. EBIT)                                   | 161            | 210            | 459             | 586             |
| Special items, net  | -              | -1             | -6              | -14             |
| Net financial items   | -14            | -              | -65             | -15             |
| Profit for the period   | 114            | 159            | 307             | 428             |
| Earnings per share (DKK) for the period   | 4.87           | 6.56           | 12.98           | 17.53           |
| Earnings per share (DKK) last 12 months   | 17.19          | 21.86          | 17.19           | 21.86           |

| <b>Cash flow statement (DKKm)</b> | <b>Q3 2023</b> | <b>Q3 2022</b> | <b>YTD 2023</b> | <b>YTD 2022</b> |
|-----------------------------------|----------------|----------------|-----------------|-----------------|
| Operating activities              | 125            | 271            | 304             | 602             |
| Investing activities              | -              | -              | -10             | -500            |
| Free cash flow                    | 125            | 271            | 294             | 102             |
| Adjusted free cash flow           | 73             | 223            | 146             | 449             |
| Financing activities              | -157           | -96            | -513            | -108            |
| Cash flow for the period          | -32            | 175            | -219            | -6              |

Reference is made to NTG's 2022 Annual Report, page 79, for definition of key figures and ratios.

\* Ratio is based on last 12 months' figures.

| <b>Balance sheet (DKKm)</b>                                 | <b>30/09-2023</b> | <b>30/09-2022</b> |
|---|-------------------|-------------------|
| Additions to property, plant, and equipment (excl. IFRS 16) | 4                 | 1                 |
| Balance sheet total   | 4,084             | 4,635             |
| Net working capital   | -51               | -22               |
| Net interest-bearing debt                                   | 1,255             | 1,156             |
| Net interest-bearing debt, excluding IFRS 16                | 369               | 367               |
| Invested capital  | 2,182             | 2,137             |
| Invested capital, excluding IFRS 16                         | 1,342             | 1,397             |
| Total equity  | 1,019             | 1,080             |
| NTG A/S' shareholders' share of equity                      | 947               | 993               |
| Non-controlling interests                                   | 72                | 87                |

| <b>Financial ratios</b> | <b>Q3 2023</b> | <b>Q3 2022</b> | <b>YTD 2023</b> | <b>YTD 2022</b> |
|-------------------------|----------------|----------------|-----------------|-----------------|
| Gross margin            | 22.6%          | 18.9%          | 22.1%           | 19.3%           |
| Operating margin        | 8.2%           | 7.4%           | 7.2%            | 7.6%            |
| Conversion ratio        | 36.3%          | 39.4%          | 32.7%           | 39.2%           |
| ROIC before tax*        |                |                | 29.2%           | 42.5%           |
| Return on equity*       |                |                | 39.4%           | 62.8%           |
| Solvency ratio          |                |                | 25.0%           | 23.3%           |
| Leverage ratio*         |                |                | 1.47            | 1.20            |

| <b>Employees</b>            | <b>YTD 2023</b> | <b>YTD 2022</b> |
|-----------------------------|-----------------|-----------------|
| Average number of employees | 1,969           | 1,966           |

# Management Report

The third quarter of 2023, continued to be characterised by challenging market conditions for both Road & Logistics and Air & Ocean. The macroeconomic headwinds continue to put pressure on rates and reduce volumes across the divisions.

In the Road & Logistics division, the market was characterised by declining activity and lower rates in Q3 2023, with a weak spot market and rates which remain low and under pressure. With weak demand, competition in the market is more apparent than in previous quarters. The division's investments in sales are paying off with successful onboarding of new customers, but nevertheless lower volumes translated into negative revenue growth. With focus on cost discipline, the division's operating margin remains resilient at 7.5% for Q3 2023, despite the reduced volumes and price pressure.

Within Air & Ocean, volumes remain low and with growing capacity in the market, the downward trend in rates continued in the third quarter of 2023. In addition to the adverse macroeconomic environment, the destocking cycle continued, resulting in additional downward pressure on volumes. As in previous quarters, focus remains on sales and onboarding of new customers, while maintaining existing customers.

In response to the market environment, the cost bases in both divisions were adjusted throughout the quarter. In Air & Ocean the number of white-collar FTEs was 5.8% lower than at the same time last year.

Net revenue in Q3 2023 decreased 30.4%, compared to Q3 2022, with an organic growth rate of negative 28.7% due to lower volumes and rates, especially in the Air & Ocean division.

Acquired growth totalled 0.3% in Q3 2023, driven by the acquisition of Solida Logistik completed in December 2022.

Currency translation effects had an impact on growth of negative 2.2% in Q3 2023. The impact was predominantly driven by depreciation of SEK, USD and TRY. The depreciation of the SEK accounted for slightly less than two thirds of the total currency translation headwinds.

Despite an increase in gross margin from 18.9% to 22.6% in Q3 2023, gross profit decreased in both divisions as a result of the decline in revenue.

Adj. EBIT decreased 23.3% to DKK 161 million, with an operating margin of 8.2% for Q3 2023, compared to 7.4% in the same period last year. The increase in operating margin was mainly due to a partial reversal of the provision for earn-out related to the acquisition of AGL and the sale of an office building in Germany.

Minorities' share of adj. EBIT was 5.3% in Q3 2023 compared to 8.0% in Q3 2022.

Net working capital was negative DKK 51 million as of 30 September 2023, compared to negative DKK 22 million as of 30 September 2022.

## NTG Nordic Transport Group

| (DKKm)       | Q3 2023 | Q3 2022 | Growth |
|--------------|---------|---------|--------|
| Net revenue  | 1,963   | 2,821   | -30.4% |
| Gross profit | 444     | 533     | -16.7% |
| Adj. EBIT    | 161     | 210     | -23.3% |

## Road & Logistics

| (DKKm)       | Q3 2023 | Q3 2022 | Growth |
|--------------|---------|---------|--------|
| Net revenue  | 1,459   | 1,752   | -16.7% |
| Gross profit | 329     | 355     | -7.3%  |
| Adj. EBIT    | 109     | 137     | -20.4% |

## Air & Ocean

| (DKKm)       | Q3 2023 | Q3 2022 | Growth |
|--------------|---------|---------|--------|
| Net revenue  | 503     | 1,069   | -52.9% |
| Gross profit | 115     | 178     | -35.4% |
| Adj. EBIT    | 52      | 72      | -27.8% |

## Management Report, continued

### Update on M&A

The M&A environment remains impacted by challenging market conditions in the industry. Headwinds for most potential acquisition targets continue to create a gap between buyers' and sellers' valuation expectations.

We continue to expect a gradual normalisation of the M&A environment and convergence of valuation expectations of buyers and sellers.

M&A remains a strong strategic focus for NTG, and we continue our efforts towards making value-adding acquisitions.

### Outlook

We maintain the guidance provided on 3 August 2023, and for the full year 2023 we expect to achieve:

- Adj. EBIT of DKK 600 – 650 million.

The outlook reflects that the normal seasonal uptick in activity in the last quarter of the year does not seem to materialise this year and assumes that activity in the transport markets will remain at the current level for the rest of the year.

The full-year guidance includes the effect of an expected reversal of the provision for earn-out related to the acquisition of AGL, amounting to a total of DKK 42 million (USD 6 million) for 2023, of which DKK 21 million was reversed in Q3 2023.

## Road & Logistics

In Q3 2023, the market conditions for the Road & Logistics division continued to weaken, as the macroeconomic headwinds continue to affect demand.

Lower volumes continued to affect the market, especially in the spot market, where rates are under continued pressure.

The decline in volumes led to a decrease in activity in the Road & Logistics division, both compared to the previous quarter and to Q3 2022.

With activity slowing down across Europe, customers decreased production during the industrial summer holiday season, to a greater extent than in the past couple of years, where COVID-19 and supply chain issues kept production activity higher through the summer holiday. Consequently, transport volumes have been lower than in the past couple of years, with especially July and August being relatively slow.

Competition for customer volumes remains elevated due to oversupply in the market. The division has intensified its sales efforts and is successfully winning new customers in key geographies. Despite the successful sales efforts revenue growth was more than offset by lower volumes and price pressure in the market.

The division continues to take advantage of NTG's asset light business model and has continuously adjusted capacity to the market conditions, resulting in a resilient EBIT margin, despite the lower revenue.

The warehousing logistics market remains healthy, with consistent demand from new customers seeking new warehousing space. With general warehousing construction activity having slowed down due to the overall market conditions, the resilient logistics market dynamics are set to continue.

### Selected YTD financial information

| (DKKm)               | YTD 2022     | Organic | %      | Acquisitions | %    | Currency | %     | YTD 2023     | %         |
|----------------------|--------------|---------|--------|--------------|------|----------|-------|--------------|-----------|
| Net external revenue | <b>5,222</b> | -465    | -8.8%  | 44           | 0.8% | -119     | -2.3% | <b>4,682</b> | -10.3%    |
| Gross profit         | <b>1,090</b> | -56     | -5.2%  | 22           | 2.0% | -19      | -1.7% | <b>1,037</b> | -4.9%     |
| Adj. EBIT            | <b>415</b>   | -62     | -15.0% | 4            | 1.0% | -7       | -1.7% | <b>350</b>   | -15.7%    |
| Gross margin         | <b>20.9%</b> |         |        |              |      |          |       | <b>22.1%</b> | 1.2 p.p.  |
| Operating margin     | <b>7.9%</b>  |         |        |              |      |          |       | <b>7.5%</b>  | -0.4 p.p. |
| Conversion ratio     | <b>38.1%</b> |         |        |              |      |          |       | <b>33.8%</b> | -4.3 p.p. |



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## Road & Logistics, continued

### Net revenue

Net revenue for the division totalled DKK 1,459 million in Q3 2023 compared to DKK 1,752 million in Q3 2022.

Total growth was negative 16.7%. The decrease in revenue was driven by lower rates in the spot market, and a decline in volumes.

### Gross profit

Gross profit decreased 7.3% to DKK 329 million in Q3 2023, compared to DKK 355 million in Q3 2022, corresponding to a gross margin of 22.5% and 20.3%, respectively.

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

Adj. EBIT for Q3 2023 totalled DKK 109 million, a decrease of DKK 28 million compared to Q3 2022.

The operating margin was 7.5% for Q3 2023, compared to 7.8% in the same period last year.

The decrease in adj. EBIT was driven mainly by lower total gross profit, which led to a decrease in the conversion ratio of 5.5 percentage points to 33.1%.

The division has continued to adjust its cost base during Q3 2023, but nevertheless investments in the sales organisation coupled with lower gross profit contributed in a lower conversion ratio.

The acquisition of Solida Logistik contributed with adj. EBIT of DKK 1 million in Q3 2023.

### Selected quarterly financial information

| (DKKm)               | Q3 2022      | Organic | %      | Acquisitions | %    | Currency | %     | Q3 2023      | %         |
|----------------------|--------------|---------|--------|--------------|------|----------|-------|--------------|-----------|
| Net external revenue | <b>1,752</b> | -264    | -15.1% | 8            | 0.5% | -37      | -2.1% | <b>1,459</b> | -16.7%    |
| Gross profit         | <b>355</b>   | -26     | -7.3%  | 6            | 1.7% | -6       | -1.7% | <b>329</b>   | -7.3%     |
| Adj. EBIT            | <b>137</b>   | -27     | -19.6% | 1            | 0.7% | -2       | -1.5% | <b>109</b>   | -20.4%    |
| Gross margin         | <b>20.3%</b> |         |        |              |      |          |       | <b>22.5%</b> | 2.2 p.p.  |
| Operating margin     | <b>7.8%</b>  |         |        |              |      |          |       | <b>7.5%</b>  | -0.3 p.p. |
| Conversion ratio     | <b>38.6%</b> |         |        |              |      |          |       | <b>33.1%</b> | -5.5 p.p. |

## Air & Ocean

Market conditions for the Air & Ocean division continued to be challenging during the third quarter of 2023. Freight rates remain at a low level and fell further towards the end of the quarter.

With lower volumes and growing supply, the market is characterised by a higher degree of competition relative to previous quarters. In response, the Air & Ocean division maintained a strong focus on sales in Q3 2023, especially within the SME segment.

Volumes are still impacted by the destocking cycle which continues to persist for longer than anticipated, as well as the general adverse macroeconomic environment.

Further cost adjustments were carried out during the third quarter, as the division continuously adjusts to the challenging market environment.

### Net revenue

Net revenue for the division totalled DKK 503 million in Q3 2023, compared to DKK 1,069 million in Q3 2022.

Total growth was negative 52.9%, composed of organic growth of negative 50.6%, and currency translation effects of negative 2.3%.

The decline in organic growth compared to last year continues to be driven by a combination of lower volumes and significantly lower freight rates.

### Selected YTD financial information

| (DKKm)               | YTD 2022     | Organic | %      | Acquisitions | %     | Currency | %     | YTD 2023     | %          |
|----------------------|--------------|---------|--------|--------------|-------|----------|-------|--------------|------------|
| Net external revenue | <b>2,506</b> | -1,143  | -45.6% | 329          | 13.1% | -38      | -1.5% | <b>1,654</b> | -34.0%     |
| Gross profit         | <b>404</b>   | -112    | -27.7% | 83           | 20.5% | -9       | -2.2% | <b>366</b>   | -9.4%      |
| Adj. EBIT            | <b>170</b>   | -76     | -44.7% | 16           | 9.4%  | -2       | -1.2% | <b>108</b>   | -36.5%     |
| Gross margin         | <b>16.1%</b> |         |        |              |       |          |       | <b>22.1%</b> | 6.0 p.p.   |
| Operating margin     | <b>6.8%</b>  |         |        |              |       |          |       | <b>6.5%</b>  | -0.3 p.p.  |
| Conversion ratio     | <b>42.1%</b> |         |        |              |       |          |       | <b>29.5%</b> | -12.6 p.p. |



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## Air & Ocean, continued

### Gross profit

Gross profit decreased 35.4% to DKK 115 million in Q3 2023, compared to DKK 178 million in Q3 2022, corresponding to a gross margin of 22.9% and 16.7%, respectively.

The lower freight rates drove a decline in gross profit, despite the higher gross margin.

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

Adj. EBIT for Q3 2023 totalled DKK 52 million, a decrease of DKK 20 million compared to Q3 2022.

The operating margin was 10.3% for Q3 2023, compared to 6.7% in the same period last year.

The operating margin increase was driven by a conversion ratio increase of 4.8 percentage points to 45.2%.

The conversion ratio was impacted by the continued combination of low freight rates, challenging market conditions, and lower volumes as a result of macroeconomic headwinds. Finally, investments in the division's sales organisation continue to affect the conversion ratio, compared to Q3 2022.

On a quarter-on-quarter basis the Air & Ocean division saw an uplift in conversion ratio from 19.7% to 45.2%.

During the course of the quarter, the division has adjusted the cost base further, in response to the challenging market conditions.

Adj. EBIT was positively affected by a partial reversal of the provision for earn-out related to the acquisition of AGL, amounting to DKK 21 million in Q3 2023 and the sale of an office building in Germany, amounting to a total of DKK 5 million.

### Selected quarterly financial information

| (DKKm)               | Q3 2022      | Organic | %      | Acquisitions | % | Currency | %     | Q3 2023      | %        |
|----------------------|--------------|---------|--------|--------------|---|----------|-------|--------------|----------|
| Net external revenue | <b>1,069</b> | -541    | -50.6% | -            | - | -25      | -2.3% | <b>503</b>   | -52.9%   |
| Gross profit         | <b>178</b>   | -57     | -32.0% | -            | - | -6       | -3.4% | <b>115</b>   | -35.4%   |
| Adj. EBIT            | <b>72</b>    | -19     | -26.4% | -            | - | -1       | -1.4% | <b>52</b>    | -27.8%   |
| Gross margin         | <b>16.7%</b> |         |        |              |   |          |       | <b>22.9%</b> | 6.2 p.p. |
| Operating margin     | <b>6.7%</b>  |         |        |              |   |          |       | <b>10.3%</b> | 3.6 p.p. |
| Conversion ratio     | <b>40.4%</b> |         |        |              |   |          |       | <b>45.2%</b> | 4.8 p.p. |



# Interim Financial Statements

## INCOME STATEMENT

| (DKKm)   | Q3 2023    | Q3 2022    | YTD 2023     | YTD 2022     |
|--|------------|------------|--------------|--------------|
| Net revenue  | 1,963      | 2,821      | 6,337        | 7,728        |
| Direct costs   | -1,519     | -2,288     | -4,934       | -6,234       |
| <b>Gross profit</b>  | <b>444</b> | <b>533</b> | <b>1,403</b> | <b>1,494</b> |
| Other external expenses  | -28        | -67        | -143         | -174         |
| Staff costs  | -200       | -200       | -635         | -571         |
| <b>Operating profit before amortisation, depreciation, and special items (adj. EBITDA)</b> | <b>216</b> | <b>266</b> | <b>625</b>   | <b>749</b>   |
| Amortisation and depreciation of intangible and tangible fixed assets                      | -55        | -56        | -166         | -163         |
| <b>Operating profit before special items (adj. EBIT)</b>                                   | <b>161</b> | <b>210</b> | <b>459</b>   | <b>586</b>   |
| Special items, net   | -          | -1         | -6           | -14          |
| Financial income   | 6          | 12         | 14           | 26           |
| Financial costs, other   | -20        | -12        | -79          | -41          |
| <b>Profit before tax</b>   | <b>147</b> | <b>209</b> | <b>388</b>   | <b>557</b>   |
| Tax on profit for the period   | -33        | -50        | -81          | -129         |
| <b>Profit for the period</b>   | <b>114</b> | <b>159</b> | <b>307</b>   | <b>428</b>   |
| <b>Attributable to:</b>  |            |            |              |              |
| Shareholders in NTG A/S  | 105        | 146        | 280          | 389          |
| Non-controlling interests  | 9          | 13         | 27           | 39           |
| <b>Earnings per share</b>  |            |            |              |              |
| Earnings per share (DKK)   | 4.87       | 6.56       | 12.98        | 17.53        |
| Diluted earnings per share (DKK) for the period  | 4.81       | 6.47       | 12.83        | 17.23        |

## STATEMENT OF OTHER COMPREHENSIVE INCOME

| (DKKm)   | Q3 2023    | Q3 2022    | YTD 2023   | YTD 2022   |
|--|------------|------------|------------|------------|
| <b>Profit for the period</b>                                   | <b>114</b> | <b>159</b> | <b>307</b> | <b>428</b> |
| <i>Items that may be reclassified to the income statement:</i> |            |            |            |            |
| Foreign exchange adjustments of subsidiaries                   | 15         | 36         | 17         | 36         |
| <i>Items will not be reclassified to the income statement:</i> |            |            |            |            |
| Actuarial adjustments on retirement benefit obligations        | -1         | 3          | -7         | 47         |
| <b>Other comprehensive income</b>                              | <b>14</b>  | <b>39</b>  | <b>10</b>  | <b>83</b>  |
| <b>Total comprehensive income</b>                              | <b>128</b> | <b>198</b> | <b>317</b> | <b>511</b> |
| <b>Attributable to:</b>  |            |            |            |            |
| Shareholders in NTG A/S  | 122        | 185        | 296        | 472        |
| Non-controlling interests                                      | 6          | 13         | 21         | 39         |



## CASH FLOW STATEMENT

| (DKKm)                                     | Q3 2023    | Q3 2022    | YTD 2023   | YTD 2022    |
|--|------------|------------|------------|-------------|
| Operating profit before special items      | 161        | 210        | 459        | 586         |
| Amortisation and depreciation              | 55         | 56         | 166        | 163         |
| Share-based payments                       | 4          | 2          | -40        | 5           |
| Change in working capital etc.             | -27        | 14         | -84        | -78         |
| Change in provisions                       | -32        | -          | -45        | -4          |
| Financial income received                  | 6          | 13         | 14         | 26          |
| Interest paid on leasing contracts         | -10        | -8         | -28        | -26         |
| Other financial expenses paid              | -10        | -3         | -51        | -15         |
| Corporation taxes paid                     | -22        | -12        | -81        | -41         |
| Special items                              | -          | -1         | -6         | -14         |
| <b>Cash flow from operating activities</b> | <b>125</b> | <b>271</b> | <b>304</b> | <b>602</b>  |
| Purchase of property, plant, and equipment | -4         | -1         | -17        | -8          |
| Disposal of tangible assets                | 4          | -          | 6          | 5           |
| Acquisition of business activities         | -1         | -4         | -3         | -484        |
| Changes in other financial assets          | 1          | 5          | 4          | -13         |
| <b>Cash flow from investing activities</b> | <b>-</b>   | <b>-</b>   | <b>-10</b> | <b>-500</b> |
| <b>Free cash flow</b>                      | <b>125</b> | <b>271</b> | <b>294</b> | <b>102</b>  |

## CASH FLOW STATEMENT, continued

| (DKKm)   | Q3 2023     | Q3 2022    | YTD 2023    | YTD 2022    |
|--|-------------|------------|-------------|-------------|
| Repayment of lease liabilities                       | -53         | -53        | -157        | -151        |
| Proceeds from loans                                  | -           | -          | -           | 125         |
| Repayments of other financial liabilities            | -2          | -4         | -21         | -17         |
| <i>Shareholders and non-controlling interests</i>    |             |            |             |             |
| Purchase of treasury shares                          | -92         | -24        | -294        | -24         |
| Dividends paid to non-controlling interests          | -11         | -2         | -38         | -31         |
| Acquisition of shares from non-controlling interests | -           | -13        | -6          | -30         |
| Disposal of shares to non-controlling interests      | 1           | -          | 3           | 20          |
| <b>Cash flow from financing activities</b>           | <b>-157</b> | <b>-96</b> | <b>-513</b> | <b>-108</b> |
| <b>Cash flow for the period</b>                      | <b>-32</b>  | <b>175</b> | <b>-219</b> | <b>-6</b>   |
| Cash and cash equivalents at beginning of period*    | 72          | -89        | 253         | 99          |
| Cash flow for the period                             | -32         | 175        | -219        | -6          |
| Currency translation adjustments                     | 5           | 18         | 11          | 11          |
| <b>Cash and cash equivalents at 30 September*</b>    | <b>45</b>   | <b>104</b> | <b>45</b>   | <b>104</b>  |
| <b>Statement of adjusted free cash flow</b>          |             |            |             |             |
| Free cash flow                                       | 125         | 271        | 294         | 102         |
| Special items  | -           | 1          | 6           | 14          |
| Acquisition of business activities                   | 1           | 4          | 3           | 484         |
| Repayment of lease liabilities reversed              | -53         | -53        | -157        | -151        |
| <b>Adjusted free cash flow</b>                       | <b>73</b>   | <b>223</b> | <b>146</b>  | <b>449</b>  |

\* Cash and cash equivalents are presented in the balance sheet less bank overdrafts of DKK 212 million on 30 September 2023, DKK 28 million on 1 January 2023, and 248 million on 30 September 2022.

## BALANCE SHEET, assets

| (DKKm)                          | 30/09-2023   | 31/12-2022   | 30/09-2022   |
|---------------------------------|--------------|--------------|--------------|
| Intangible assets               | 1,399        | 1,392        | 1,422        |
| Property, plant, and equipment  | 70           | 69           | 70           |
| Right-of-use assets             | 840          | 736          | 740          |
| Other receivables               | 69           | 65           | 63           |
| Deferred tax assets             | 34           | 40           | 38           |
| <b>Total non-current assets</b> | <b>2,412</b> | <b>2,302</b> | <b>2,333</b> |
| Trade receivables               | 1,321        | 1,430        | 1,838        |
| Other receivables               | 90           | 85           | 111          |
| Cash and cash equivalents       | 257          | 281          | 352          |
| Corporation tax                 | 4            | 6            | 1            |
| <b>Total current assets</b>     | <b>1,672</b> | <b>1,802</b> | <b>2,302</b> |
| <b>Total assets</b>             | <b>4,084</b> | <b>4,104</b> | <b>4,635</b> |

## BALANCE SHEET, equity and liabilities

| (DKKm)                                       | 30/09-2023   | 31/12-2022   | 30/09-2022   |
|--|--------------|--------------|--------------|
| Share capital                                | 453          | 453          | 453          |
| Reserves                                     | 494          | 514          | 540          |
| <b>NTG A/S shareholders' share of equity</b> | <b>947</b>   | <b>967</b>   | <b>993</b>   |
| Non-controlling interests                    | 72           | 97           | 87           |
| <b>Total equity</b>                          | <b>1,019</b> | <b>1,064</b> | <b>1,080</b> |
| Deferred tax liabilities                     | 11           | 10           | 2            |
| Pensions and similar obligations             | 74           | 74           | 70           |
| Provisions                                   | 2            | 2            | 3            |
| Financial liabilities                        | 228          | 423          | 413          |
| Lease liabilities                            | 691          | 603          | 605          |
| <b>Total non-current liabilities</b>         | <b>1,006</b> | <b>1,112</b> | <b>1,093</b> |
| Provisions                                   | 34           | 51           | 65           |
| Financial liabilities                        | 398          | 59           | 306          |
| Lease liabilities                            | 195          | 183          | 184          |
| Trade payables                               | 1,141        | 1,347        | 1,536        |
| Other payables                               | 242          | 224          | 250          |
| Corporation tax                              | 49           | 64           | 121          |
| <b>Total current liabilities</b>             | <b>2,059</b> | <b>1,928</b> | <b>2,462</b> |
| <b>Total liabilities</b>                     | <b>3,065</b> | <b>3,040</b> | <b>3,555</b> |
| <b>Total equity and liabilities</b>          | <b>4,084</b> | <b>4,104</b> | <b>4,635</b> |

## STATEMENT OF CHANGES IN EQUITY – 1 January – 30 September 2023

| (DKK m)  | Share capital | Treasury share reserve | Translation reserve | Retained earnings | NTG A/S shareholders' share of equity | Non-controlling interests | Total equity |
|--|---------------|------------------------|---------------------|-------------------|---------------------------------------|---------------------------|--------------|
| <b>Equity at 1 January</b>                           | 453           | -16                    | -9                  | 539               | <b>967</b>                            | 97                        | <b>1,064</b> |
| <b>Profit for the period</b>                         | -             | -                      | -                   | 280               | <b>280</b>                            | 27                        | <b>307</b>   |
| Net exchange differences recognised in OCI           | -             | -                      | 23                  | -                 | <b>23</b>                             | -6                        | <b>17</b>    |
| Actuarial gains/(losses)                             | -             | -                      | -                   | -7                | <b>-7</b>                             | -                         | <b>-7</b>    |
| <b>Other comprehensive income, net of tax</b>        | -             | -                      | 23                  | -7                | <b>16</b>                             | -6                        | <b>10</b>    |
| <b>Total comprehensive income for the period</b>     | -             | -                      | 23                  | 273               | <b>296</b>                            | 21                        | <b>317</b>   |
| <i>Transactions with shareholders:</i>               |               |                        |                     |                   |                                       |                           |              |
| Share-based payments                                 | -             | -                      | -                   | -40               | <b>-40</b>                            | -                         | <b>-40</b>   |
| Tax on share-based payments                          | -             | -                      | -                   | 6                 | <b>6</b>                              | -                         | <b>6</b>     |
| Dividends distributed                                | -             | -                      | -                   | -                 | -                                     | -38                       | <b>-38</b>   |
| Purchase of treasury shares                          | -             | -16                    | -                   | -279              | <b>-295</b>                           | -                         | <b>-295</b>  |
| Acquisition of shares from non-controlling interests | -             | 4                      | -                   | 4                 | <b>8</b>                              | -14                       | <b>-6</b>    |
| Disposal of shares to non-controlling interests      | -             | -                      | -                   | 5                 | <b>5</b>                              | 6                         | <b>11</b>    |
| <b>Total transactions with owners</b>                | -             | -12                    | -                   | -304              | <b>-316</b>                           | -46                       | <b>-362</b>  |
| <b>Equity at 30 September</b>                        | 453           | -28                    | 14                  | 508               | <b>947</b>                            | 72                        | <b>1,019</b> |

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

| (DKKm)   | Share capital | Treasury share reserve | Translation reserve | Retained earnings | NTG A/S shareholders' share of equity | Non-controlling interests | Total equity |
|--|---------------|------------------------|---------------------|-------------------|---------------------------------------|---------------------------|--------------|
| <b>Equity at 1 January</b>                           | 453           | -10                    | 2                   | 113               | <b>558</b>                            | 76                        | <b>634</b>   |
| <b>Profit for the period</b>                         | -             | -                      | -                   | 389               | <b>389</b>                            | 39                        | <b>428</b>   |
| Net exchange differences recognized in OCI           | -             | -                      | 36                  | -                 | <b>36</b>                             | -                         | <b>36</b>    |
| Actuarial gains/(losses)                             | -             | -                      | -                   | 47                | <b>47</b>                             | -                         | <b>47</b>    |
| <b>Other comprehensive income, net of tax</b>        | -             | -                      | 36                  | 47                | <b>83</b>                             | -                         | <b>83</b>    |
| <b>Total comprehensive income for the period</b>     | -             | -                      | 36                  | 436               | <b>472</b>                            | 39                        | <b>511</b>   |
| <i>Transactions with shareholders:</i>               |               |                        |                     |                   |                                       |                           |              |
| Share-based payments                                 | -             | -                      | -                   | 5                 | <b>5</b>                              | -                         | <b>5</b>     |
| Tax on share-based payments                          | -             | -                      | -                   | -17               | <b>-17</b>                            | -                         | <b>-17</b>   |
| Dividends distributed                                | -             | -                      | -                   | -                 | -                                     | -31                       | <b>-31</b>   |
| Purchase of treasury shares                          | -             | -2                     | -                   | -24               | <b>-26</b>                            | -                         | <b>-26</b>   |
| Acquisition of shares from non-controlling interests | -             | 3                      | -                   | -16               | <b>-13</b>                            | -17                       | <b>-30</b>   |
| Disposal of shares to non-controlling interests      | -             | -                      | -                   | 14                | <b>14</b>                             | 20                        | <b>34</b>    |
| <b>Total transactions with owners</b>                | -             | 1                      | -                   | -38               | <b>-37</b>                            | -28                       | <b>-65</b>   |
| <b>Equity at 30 September</b>                        | 453           | -9                     | 38                  | 511               | <b>993</b>                            | 87                        | <b>1,080</b> |



# Notes

## Note 1 - Accounting policies

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

Accounting policies, judgements and significant estimates applied in preparation of the Interim Financial Report are consistent with those applied in the consolidated financial statements for 2022. Reference is made to note 1.1 of NTG Nordic Transport Group's 2022 Annual Report for a description of accounting policies. For a definition of financial key figures and financial ratios, please see page 79 of NTG Nordic Transport Group's 2022 Annual Report.

NTG Nordic Transport Group has implemented all new EU-approved standards and interpretations effective as of 1 January 2023. None of these standards and interpretations have had a material impact on NTG Nordic Transport Group's Financial Statements.

### *Comparative figures*

To ensure comparability between periods, figures for Q3 2022 have been restated with the adjustments made to the AGL opening balance after the release of the Q3 2022 Interim Report. The update only affects two balance sheet items: intangible assets by DKK positive 56 million and deferred tax assets by DKK negative 56 million. Accordingly, comparative figures for invested capital and ROIC have also been restated.

## Note 2 – Segment information and net revenue

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

### Segment reclassification

Three entities in France, Hungary and Switzerland have been reclassified from the A&O segment to the R&L segment with effect from 1 January 2023. The reclassification is made to reflect that the Management responsibility has moved between the divisions.

Accordingly, comparative segment figures for 2022 have been restated, and the reclassifications are disclosed in the tables below. The restatement has no impact on depreciations and amortisations nor the consolidated NTG figures.

### Impact on Road & Logistics 2022 figures from segment reclassification

| (DKK m)             | Q3 2022    |           |            | YTD 2022     |           |              | Q4 2022    |           |            | FY 2022      |           |              |
|---------------------|------------|-----------|------------|--------------|-----------|--------------|------------|-----------|------------|--------------|-----------|--------------|
|                     | Published  | Reclass.  | Restated   | Published    | Reclass.  | Restated     | Published  | Reclass.  | Restated   | Published    | Reclass.  | Restated     |
| Net revenue         | 1,730      | 22        | 1,752      | 5,151        | 71        | 5,222        | 1,627      | 31        | 1,658      | 6,778        | 102       | 6,880        |
| Direct costs        | -1,392     | -5        | -1,397     | -4,113       | -19       | -4,132       | -1,289     | -13       | -1,302     | -5,402       | -32       | -5,434       |
| <b>Gross profit</b> | <b>338</b> | <b>17</b> | <b>355</b> | <b>1,038</b> | <b>52</b> | <b>1,090</b> | <b>338</b> | <b>18</b> | <b>356</b> | <b>1,376</b> | <b>70</b> | <b>1,446</b> |
| <b>Adj. EBIT</b>    | <b>134</b> | <b>3</b>  | <b>137</b> | <b>406</b>   | <b>9</b>  | <b>415</b>   | <b>125</b> | <b>4</b>  | <b>129</b> | <b>531</b>   | <b>13</b> | <b>544</b>   |

### Impact on Air & Ocean 2022 figures from segment reclassification

| (DKK m)             | Q3 2022    |            |            | YTD 2022   |            |            | Q4 2022    |            |            | FY 2022    |            |            |
|---------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|                     | Published  | Reclass.   | Restated   | Published  | Reclass.   | Restated   | Published  | Reclass.   | Restated   | Published  | Reclass.   | Restated   |
| Net revenue         | 1,091      | -22        | 1,069      | 2,577      | -71        | 2,506      | 869        | -31        | 838        | 3,446      | -102       | 3,344      |
| Direct costs        | -896       | 5          | -891       | -2,121     | 19         | -2,102     | -689       | 13         | -676       | -2,810     | 32         | -2,778     |
| <b>Gross profit</b> | <b>195</b> | <b>-17</b> | <b>178</b> | <b>456</b> | <b>-52</b> | <b>404</b> | <b>180</b> | <b>-18</b> | <b>162</b> | <b>636</b> | <b>-70</b> | <b>566</b> |
| <b>Adj. EBIT</b>    | <b>75</b>  | <b>-3</b>  | <b>72</b>  | <b>179</b> | <b>-9</b>  | <b>170</b> | <b>48</b>  | <b>-4</b>  | <b>44</b>  | <b>227</b> | <b>-13</b> | <b>214</b> |

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| (DKKm)   | <i>Road &amp; Logistics</i> |                | <i>Air &amp; Ocean</i> |                | <i>Eliminations etc.</i> |                | <i>Total</i>   |                |
|--|-----------------------------|----------------|------------------------|----------------|--------------------------|----------------|----------------|----------------|
|  | <b>Q3 2023</b>              | <b>Q3 2022</b> | <b>Q3 2023</b>         | <b>Q3 2022</b> | <b>Q3 2023</b>           | <b>Q3 2022</b> | <b>Q3 2023</b> | <b>Q3 2022</b> |
| Segment net revenue                                      | 1,465                       | 1,761          | 504                    | 1,071          | -1                       | -              | 1,968          | 2,832          |
| Net revenue (between segments)                           | -6                          | -9             | -1                     | -2             | 2                        | -              | -5             | -11            |
| Net revenue (external)                                   | 1,459                       | 1,752          | 503                    | 1,069          | 1                        | -              | 1,963          | 2,821          |
| <b>Gross Profit</b>                                      | <b>329</b>                  | <b>355</b>     | <b>115</b>             | <b>178</b>     | <b>-</b>                 | <b>-</b>       | <b>444</b>     | <b>533</b>     |
| Amortisation and depreciation                            | -53                         | -52            | -2                     | -5             | -                        | -              | -55            | -57            |
| <b>Operating profit before special items (adj. EBIT)</b> | <b>109</b>                  | <b>137</b>     | <b>52</b>              | <b>72</b>      | <b>-</b>                 | <b>1</b>       | <b>161</b>     | <b>210</b>     |

| (DKKm)   | <i>Road &amp; Logistics</i> |                 | <i>Air &amp; Ocean</i> |                 | <i>Eliminations etc.</i> |                 | <i>Total</i>    |                 |
|--|-----------------------------|-----------------|------------------------|-----------------|--------------------------|-----------------|-----------------|-----------------|
|  | <b>YTD 2023</b>             | <b>YTD 2022</b> | <b>YTD 2023</b>        | <b>YTD 2022</b> | <b>YTD 2023</b>          | <b>YTD 2022</b> | <b>YTD 2023</b> | <b>YTD 2022</b> |
| Segment net revenue                                      | 4,702                       | 5,243           | 1,660                  | 2,513           | -1                       | -               | 6,361           | 7,756           |
| Net revenue (between segments)                           | -20                         | -21             | -6                     | -7              | 2                        | -               | -24             | -28             |
| Net revenue (external)                                   | 4,682                       | 5,222           | 1,654                  | 2,506           | 1                        | -               | 6,337           | 7,728           |
| <b>Gross Profit</b>                                      | <b>1,037</b>                | <b>1,090</b>    | <b>366</b>             | <b>404</b>      | <b>-</b>                 | <b>-</b>        | <b>1,403</b>    | <b>1,494</b>    |
| Amortisation and depreciation                            | -153                        | -151            | -13                    | -12             | -                        | -1              | -166            | -164            |
| <b>Operating profit before special items (adj. EBIT)</b> | <b>350</b>                  | <b>415</b>      | <b>108</b>             | <b>170</b>      | <b>1</b>                 | <b>1</b>        | <b>459</b>      | <b>586</b>      |

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

| <b>Net Revenue (DKKm)</b> | <b>Q3 2023</b> | <b>Q3 2022</b> | <b>YTD 2023</b> | <b>YTD 2022</b> |
|---------------------------|----------------|----------------|-----------------|-----------------|
| Denmark                   | 690            | 797            | 2,163           | 2,317           |
| Sweden                    | 335            | 423            | 1,088           | 1,292           |
| USA                       | 272            | 639            | 878             | 1,222           |
| Finland                   | 135            | 217            | 464             | 679             |
| Germany                   | 111            | 210            | 396             | 635             |
| Other                     | 420            | 535            | 1,348           | 1,583           |
| <b>Total</b>              | <b>1,963</b>   | <b>2,821</b>   | <b>6,337</b>    | <b>7,728</b>    |



### Note 3 – Leases

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

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

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

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

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

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

| (DKKm)                                 | 2023             |                           |            | 2022             |                           |            |
|--|------------------|---------------------------|------------|------------------|---------------------------|------------|
|  | Land & buildings | Other plant and equipment | Total      | Land & buildings | Other plant and equipment | Total      |
| <b>Carrying amount at 1 January</b>    | <b>471</b>       | <b>265</b>                | <b>736</b> | <b>463</b>       | <b>249</b>                | <b>712</b> |
| Additions from business combinations   | -                | -                         | -          | 30               | -                         | 30         |
| Additions during the period            | 140              | 180                       | 320        | 60               | 123                       | 183        |
| Disposals during the period            | -7               | -49                       | -56        | -6               | -13                       | -19        |
| Depreciation for the period            | -76              | -80                       | -156       | -65              | -91                       | -156       |
| Foreign currency translation           | -3               | -1                        | -4         | -5               | -5                        | -10        |
| <b>Carrying amount at 30 September</b> | <b>525</b>       | <b>315</b>                | <b>840</b> | <b>477</b>       | <b>263</b>                | <b>740</b> |



#### Note 4 - Treasury shares

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

|                                     | Number of shares | Nominal value (DKKm) | Part of share capital | Market value (DKKm) |
|-------------------------------------|------------------|----------------------|-----------------------|---------------------|
| <b>Treasury shares 1 January</b>    | <b>793,076</b>   | <b>16</b>            | <b>3.5%</b>           | <b>189</b>          |
| Ring-the-bell consideration paid    | -182,928         | -4                   | -0.8%                 | -77                 |
| Purchase of shares etc.             | 777,324          | 16                   | 3.4%                  | 294                 |
| Value adjustment                    |                  |                      |                       | 98                  |
| <b>Treasury shares 30 September</b> | <b>1,387,472</b> | <b>28</b>            | <b>6.1%</b>           | <b>504</b>          |

### **Note 5 - Events after the reporting period**

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

## Statement of the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the Interim Report of NTG Nordic Transport Group A/S for the period 1 January 2023 to 30 September 2023.

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

Financial Reporting as adopted by the EU and additional Danish disclosure requirements for interim financial reporting of listed companies. In our opinion, the interim consolidated financial statements give a true and fair view of NTG Nordic Transport Group A/S' consolidated assets, liabilities and financial position at 30 September 2023 and of the results of NTG Nordic Transport Group A/S' consolidated operations and cash flows for the period 1 January 2023 to 30 September 2023.

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

Hvidovre, 31 October 2023

### Executive Board

Michael Larsen  
Group CEO

Christian D. Jakobsen  
Group CFO

### Board of Directors

Eivind Kolding  
Chairman of the board

Jørgen Hansen  
Deputy chairman of the board

Finn Skovbo Pedersen  
Board member

Carsten Krogsgaard Thomsen  
Board member

Jesper Præstengaard  
Board member

Karen-Marie Katholm  
Board member

Louise Knauer  
Board member

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