NTG Nordic Transport Group

Annual Report 2022

Navigating supply chain disruptions

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

We solve complexities of global transportation

NTG is dedicated to securing vital supplies across the globe, acting as planner, organiser, and negotiator of efficient transport solutions by road, rail, air, and ocean to deliver sustainable progress and value to our stakeholders.

Talented and skilled colleagues are the backbone of NTG and our business model is rooted in the empowerment of employees through incentivisation, decentralisation of operations and decision-making, and collaboration across the Group to leverage the unity of all the entities.

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Welcome to our Annual Report 2022

Learn more about the financial and operational performance, progress, governance, and outlook for NTG Nordic Transport Group (NTG)

Eivind Kolding
Chairman of the Board

Michael Larsen
Group CEO

Letter to our stakeholders

Navigating supply chain disruptions

2022 proved to be another successful year for NTG. Aside from demonstrating financial progress in both the Road & Logistics and Air & Ocean divisions, we strengthened our global footprint with the acquisition of US-based Aries Global Logistics. Despite structural imbalances and elevated uncertainty, our employees navigated change and overcame numerous challenges in close collaboration with our customers.

2022 was a turbulent year for NTG as persistent supply and demand pressures underpinned elevated market volatility. Despite uncertainty and unpredictability, we continued the trajectory in 2022 with double-digit growth in revenue and profits.

Organic growth of 16% and the strategic acquisition of Aries Global Logistics (AGL), the largest acquisition since inception in 2011, were the main contributors to the Group's overall growth. The acquisition of AGL nearly doubled the revenue and volumes of our Air & Ocean division, strengthening the Air & Ocean division's activities and accelerating the expansion of our global reach.

In line with NTG's growth strategy, we are also pleased with the announcements of two new partner-driven subsidiaries in 2022: NTG Care, a Road & Logistics subsidiary in Denmark, and NTG Air & Ocean in the Czech Republic.

Although the ever-changing market conditions and limited visibility pose risks to the future, we remain focused on driving growth and maximising value for our employees, customers, business partners, and shareholders.

Through our decentralised and agile business model, our employees and organisation demonstrated the ability to adapt to the faster-than-expected normalisation of the global transportation markets in 2022, and our asset-light and flexible cost structure promote speed of response in the event of a deteriorating business environment. We are organisationally, operationally, and financially prepared to embark on another unpredictable, challenging, and eventful year.

The strong results in 2022 is a testament to the hard work and dedication of our valued employees, and for that we would like to express our sincerest gratitude. To our customers, business partners, and shareholders, we thank you for your support and collaboration in what became yet another year of change.

Yours sincerely

Eivind Kolding
Chairman of the Board

Michael Larsen
Group CEO

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AGL Acquisition

In 2022, NTG made its largest acquisition since inception in 2011.

16

Powering people

NTG aspires to maintain and develop the pipeline of skilled employees.

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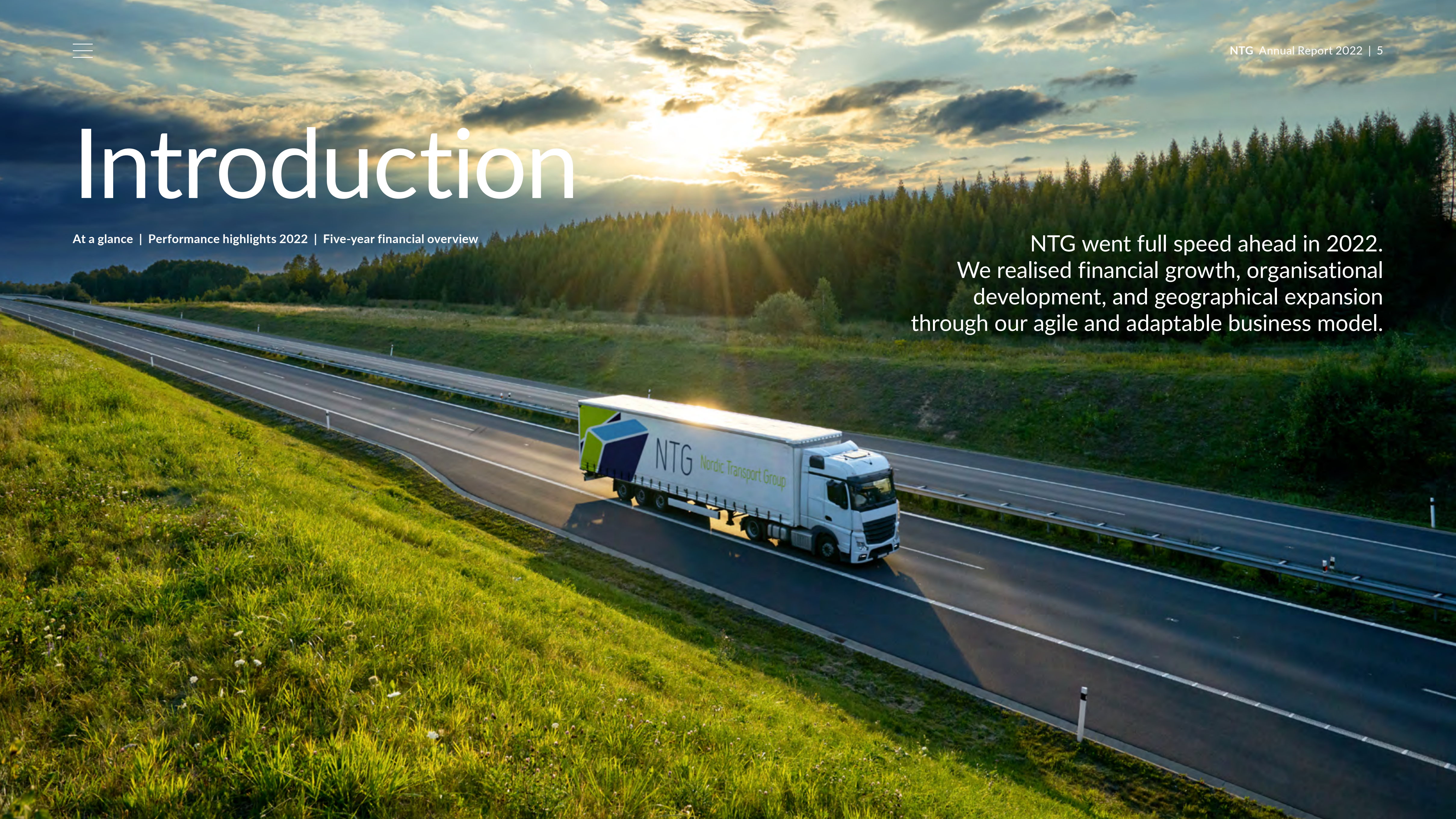
Introduction

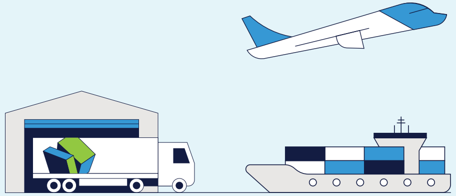
At a glance | Performance highlights 2022 | Five-year financial overview

NTG went full speed ahead in 2022. We realised financial growth, organisational development, and geographical expansion through our agile and adaptable business model.



At a glance

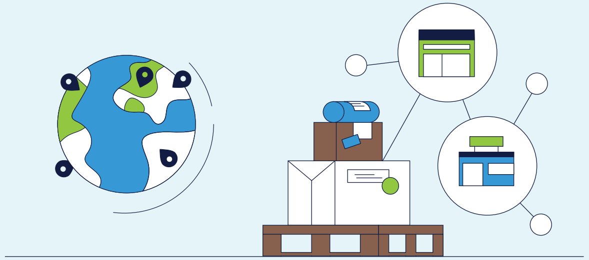
NTG is an asset-light freight forwarder offering customised transport solutions by road, rail, air, and ocean.



2 Divisions

Road & Logistics   Air & Ocean

NTG has a global reach based on a decentralised organisational structure and locally anchored expertise in multiple countries.



22 Countries
with operations

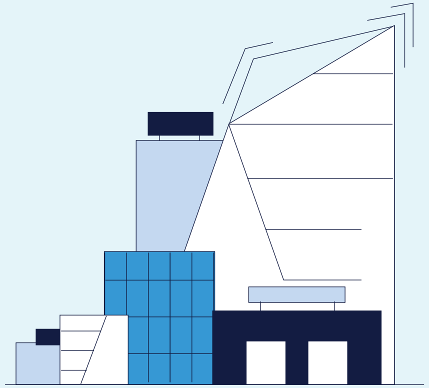
66 Subsidiaries
with operations

Purposeful people embody NTG in everything we do, and our Partners are incentivised through ownership.

~2,000 Employees
embody NTG in everything we do

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

Acquisitions are an integral part of NTG's business.



30 Acquisitions
completed since inception in 2011

Performance highlights 2022

Financial

Net revenue

10,224

(DKKm)

2022	10,224
2021	7,302
2020	5,332

Adjusted EBIT

758

(DKKm)

2022	758
2021	542
2020	261

Adjusted free cash flow

714

(DKKm)

2022	714
2021	288
2020	314

Return on invested capital before tax

46.8%

(% of average invested capital)

2022	46.8%
2021	50.9%
2020	34.3%

Non-financial

Employee gender diversity

35/65%

(%)

2022	35/65
2021	33/67
2020	36/64

Proportion of female/male employees.

Average road CO_2 emissions per shipment

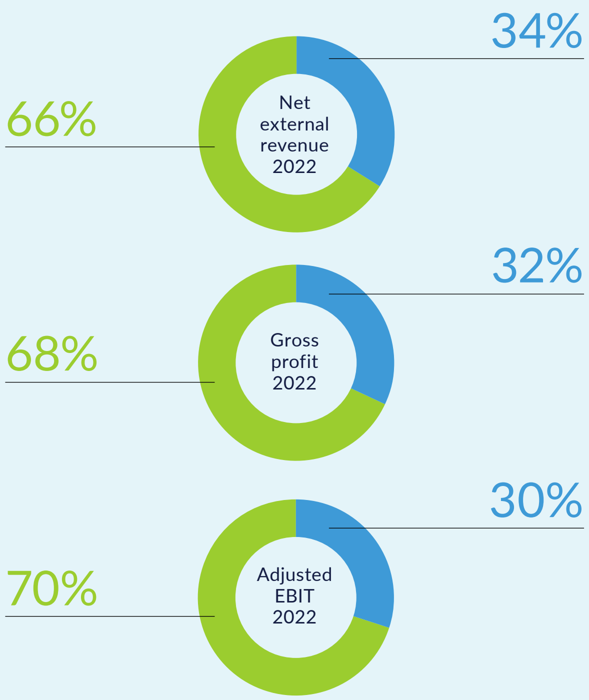
45.9

(g/tonne-km)

2022	45.9
2021	48.0
2020	55.1

Road & Logistics

Air & Ocean



Five-year financial overview

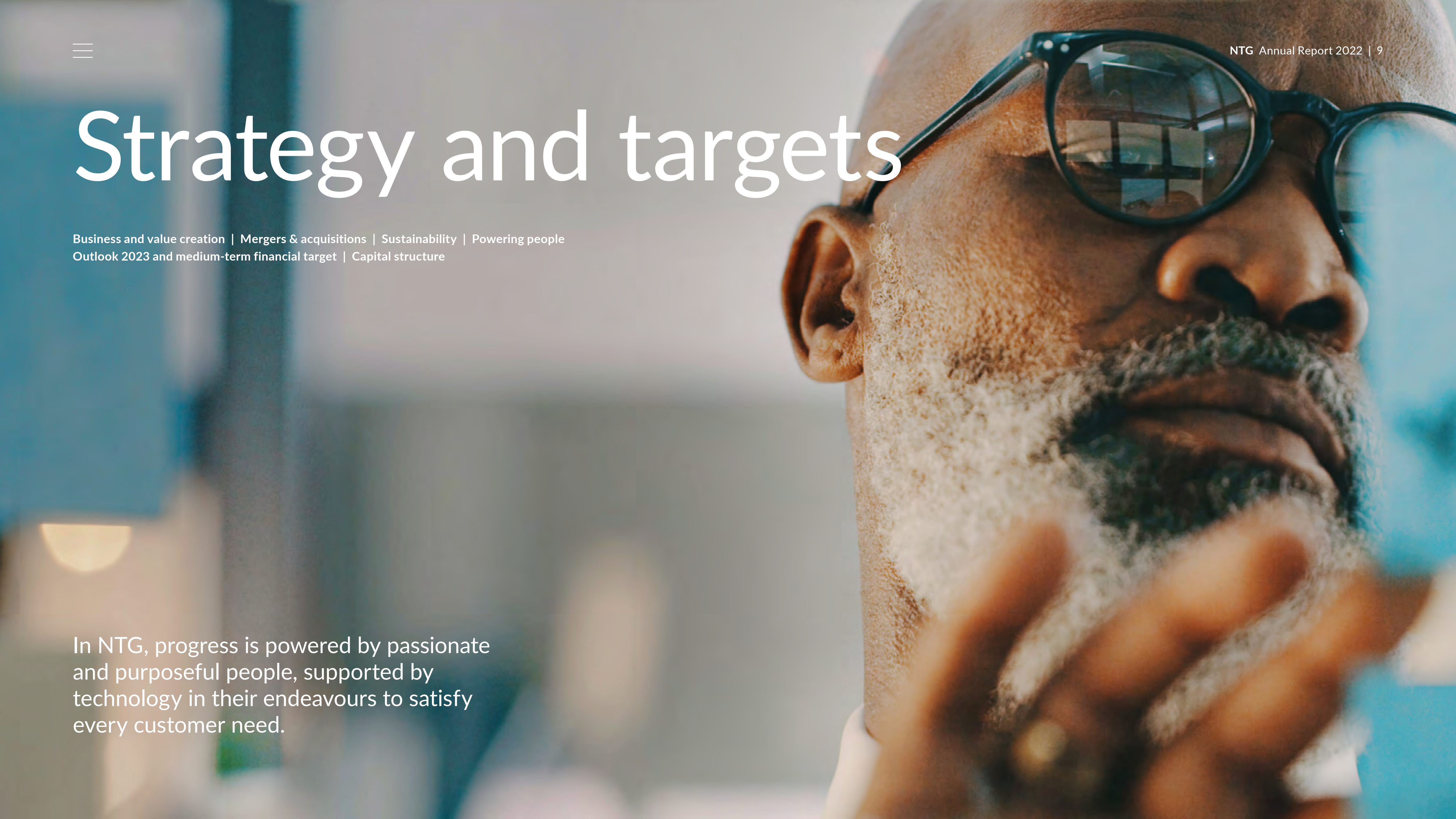
(DKKm)	2022	2021	2020	2019	2018
Income statement					
Net revenue	10,224	7,302	5,332	5,332	4,512
Gross profit	2,012	1,474	1,239	1,087	877
Operating profit before amortisations, depreciations and special items (adj.EBITDA)	980	699	429	345	197
Operating profit before special items (adj. EBIT)	758	542	261	208	189
Special items, net	-29	-4	-5	-104	-18
Net financial items	-48	-61	-45	-49	-15
Profit for the year	535	385	149	8	112
Earnings per share (DKK)	21.77	15.64	5.61	-0.64	N/A
Diluted earnings per share (DKK)	21.43	15.35	5.61	-0.64	N/A
Cash flow statement					
Operating activities	907	462	463	201	118
Investing activities	-513	-167	-158	-52	-20
Free cash flow	394	295	305	149	98
Adjusted free cash flow	714	288	314	110	115
Financing activities	-231	-438	-249	-127	-109
Cash flow for the year	163	-143	56	22	-11

* Comparative figures for 2021 are restated following the accounting practice change on terminal-related costs. Comparative figures for 2018-2020 have not been restated. Refer to note 1.1 for further information.

** Presented 2018 figures for net interest-bearing debt and invested capital includes, respectively, DKK 583 million on lease liabilities and DKK 540 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

(DKKm)	2022	2021	2020	2019	2018
Balance sheet statement					
Additions to property, plant and equipment (excl. IFRS 16)	10	12	5	37	18
Balance sheet total	4,104	3,242	2,328	2,030	1,373
Net working capital	-165	-187	-208	-100	-98
Net interest-bearing debt**	987	779	420	448	494
Net interest-bearing debt (excl. IFRS 16)	201	25	-196	-127	-90
Invested capital**	1,956	1,339	794	728	648
Total equity	1,064	634	393	288	208
NTG Nordic Transport Group A/S' shareholders' share of equity	967	558	332	240	114
Non-controlling interests	97	76	61	48	94
Financial ratios					
Gross margin	19.7%	20.2%	23.2%	20.4%	19.4%
Operating margin	7.4%	7.4%	4.9%	3.9%	4.2%
Conversion ratio	37.7%	36.8%	21.1%	19.1%	21.6%
ROIC before tax***	46.0%	50.9%	34.3%	30.2%	
Return on equity*	63.0%	75.0%	43.8%	3.2%	61.2%
Solvency ratio	25.9%	19.6%	16.9%	14.2%	15.1%
Leverage ratio*	1.01	1.11	0.98	1.30	
Employees					
Average number of employees	1,978	1,621	1,482	1,380	1,349

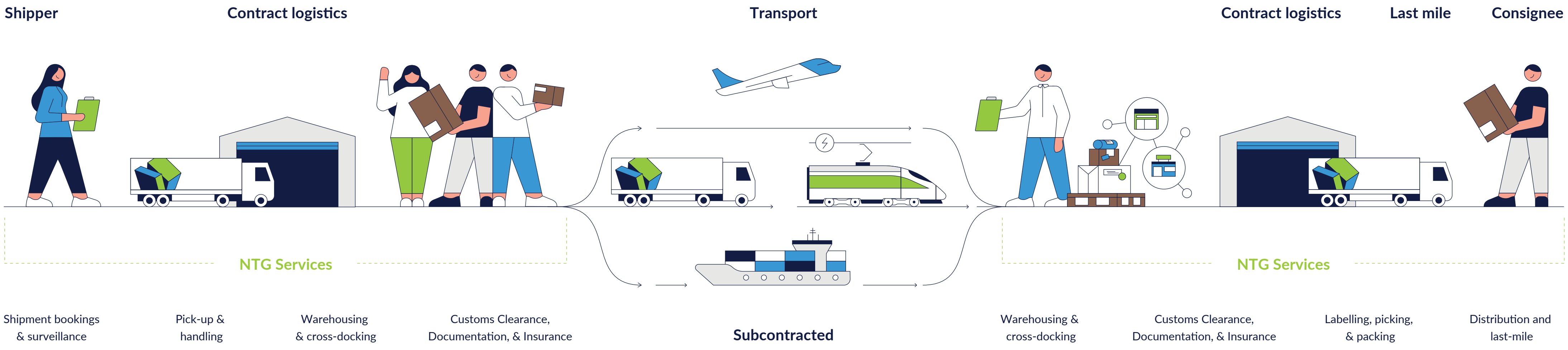


Strategy and targets

In NTG, progress is powered by passionate and purposeful people, supported by technology in their endeavours to satisfy every customer need.

Business and value creation

Based on the principles of decentralising operations, empowering employees and encouraging cross-organisational cooperation, NTG offers the full range of freight forwarding services and end-to-end solutions within Air & Ocean and Road & Logistics fuelled by people power and technology.



Key value drivers

People | Entrepreneurship | Information technology | Knowhow & expertise | Global network

Mergers & acquisitions

2022 was an eventful year within M&A. In a market characterised by elevated activity and price expectations, we completed the largest acquisition in the history of NTG. With our strong balance sheet, we remain ready to capture and leverage further opportunities that may arise and continue the pursuit of growth through M&A.

Dynamic markets

The structural market imbalances, including capacity constraints and freight rate volatility, continued in the first half of 2022.

Despite these challenges, activity remained high, particularly within the Air & Ocean division where record-high profits among market participants led to an increasing number of potential targets coming to the market.

The increasing M&A activity materialised in a high number of opportunities compared to previous years.

Diverging valuation expectations

Elevated profit-levels however led to diverging price expectations, and the complexity of negotiations increased.

Prudent capital buffers within and outside the industry led to widespread competition for targets, and an upward pressure on valuations.

The valuation gaps were the main challenge during 2022. The discrepancy was prevalent in both air, ocean, and road cases considered.

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 2022

Kontinent Transport
~50 DKKm
in 2021 revenue

Aries Global Logistics
~1,900 DKKm
in 2021 revenue

Solida Logistik
~10 DKKm
in 2021 revenue

Gradual normalisation

In the second half of the year, market dynamics gradually changed amid a weakening macroeconomic outlook, rising inflation, and declining supply chain congestions.

Sellers' price expectations gradually adjusted to reflect the updated market outlook, and valuation spreads slowly narrowed.

NTG's preferences for and application of risk-sharing mechanisms, including earn-out structures and continued ownership under NTG's ring-the-bell concept, intensified during the year to maintain a proper allocation of risks between the buyer and seller.

In 2022, cases without continued ownership by key employees and/or selling shareholders were only considered in connection with integrations into NTG's existing entities.

Opportunities ahead

While reduced visibility poses a challenge, the growth strategy of NTG remains unchanged, and the pursuit of growth through M&A will continue.

Changes in the business and market environments may also give rise to new opportunities. Should an adverse market scenario materialise, NTG is prepared to leverage its operational and financial capacities to expand the footprint and scale.

Since 2020, focus has centred around acquisitions of well-performing companies, either as bolt-ons to existing subsidiaries, or as stand-alone subsidiaries under the NTG brand. Now, challenged businesses or activities are selectively considered, albeit only in mature geographies.

NTG's homogenous and streamlined operational platform will drive the pursuit of opportunities that enable us to leverage our scale, people, and procurement capabilities and geographical reach to achieve a long-term satisfactory return on invested capital.

Status on recent acquisitions

The acquisition of AGL, completed on 6 May 2022, contributed with DKK 1,350 million in net revenue and DKK 75 million in adj. EBIT in 2022.

The acquisition of LGT Group, completed on 1 September 2021, contributed with DKK 692 million in net revenue and DKK 44 million in adj. EBIT in 2022.

The activities of Kontinent Transport and Solida Logistik were included in the consolidated financial statements of NTG as of July and December 2022, respectively, simultaneously with completion of the transfer of assets and liabilities.

The integrations of Kontinent Transport and Solida Logistik were completed during 2022. The integration of AGL is progressing according to plan, on track for finalisation in the first half of 2024, and finalisation of the integration of LGT Group is expected by the end of 2023 at the latest.

Case in point:
The acquisition of Aries Global Logistics

On 29 March 2022, NTG announced the acquisition of Aries Global Logistics. The acquisition marked a significant milestone in the development of the Air & Ocean division, nearly doubling the revenue and volumes, and significantly strengthening the division's activities globally.

About Aries Global Logistics

Aries Global Logistics (AGL) is a US-based international air and ocean freight forwarder offering end-to-end freight solutions to customers through an extensive global agent- and carrier network.

Apart from core air and ocean forwarding services, AGL offers a range of value-added services including in-house customshouse brokerage and third-party inland transportation and warehousing solutions.

AGL's activities are based out of the US, with headquarters in New York and an additional eight offices strategically located in some of the largest logistics hubs within the US.

AGL has a decentralised structure and entrepreneurial culture with locally anchored commercial and operational incentives, which resembles NTG's way of doing business.

Adding scale to the Air & Ocean division

With the acquisition of AGL, NTG is proud to have completed the largest acquisition since inception in 2011.

The acquisition of AGL marks a significant next step in the development of the Group.

NTG's US subsidiaries have been merged into AGL, forming a single entity for NTG's air and ocean activities in the US, subsequently marketed under the NTG Air & Ocean brand, under the management of the CEO of AGL.

Estimated synergies

By leveraging on the complementary capabilities and footprints, as well as AGL's strong agent network and end-to-end service offering, NTG expects to attain cross-selling opportunities towards new and existing customers. Other areas of expected synergies relate to procurement benefits through increased scale from the combination of volumes handled, and productivity gains from IT and standardisation initiatives.

Annual synergies in the range of DKK 17-24 million are expected following completion of integration.

For additional information on the acquisition of AGL, reference is made to note 7.1.

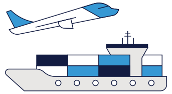
Revenue 2021: ~1,900 DKKm

Adj. EBIT 2021: ~100 DKKm

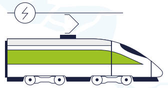
Employees 2021: ~185

Offices: 9

Business segments:


Air & Ocean freight forwarding


Road freight forwarding


Intermodal freight forwarding


3PL Expertise


Customs house brokerage


Insurance & Documentation

Read the Company announcement on the acquisition of Aries Global Logistics

Sustainability

In 2022, NTG intensified the sustainability focus on elaboration of strategy and establishment of KPI’s for our present and future efforts of driving the agenda forward.

Our sustainability strategy and target definitions are built on priorities aligned with our commitment to the United Nations Global Compact’s 10 principles, an assessment of material topics, as well as our policy framework.

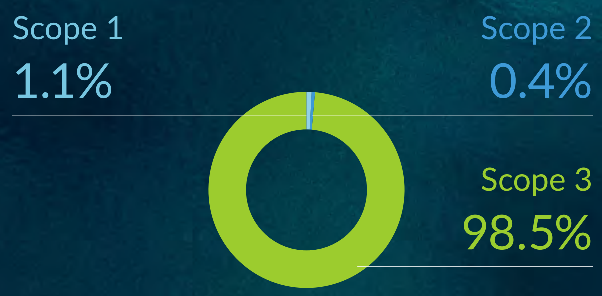
It is our firm belief that focus on sustainability is part of our “license to operate” and a prerequisite for our ability to collaborate with customers and suppliers regardless of our actions being based on established laws or the intention to contribute to remedying the climate crisis. It is important for NTG to voice our motive and inform our stakeholders about our ambitions and actions as a responsible and sustainable company across all areas of our business.

Committing to the Science Based Targets initiative

Today, the transport industry is largely powered by fossil fuels and economic growth in world trade is continuously linked to increasing carbon emissions. NTG wants to take responsibility for our own environmental footprint and reduce carbon emissions from our operations, including activities originating from the transport provided by our suppliers to service our customers. Therefore, we intend to commit to the Science Based Targets initiative (SBTi) and a process of aligning our carbon emission reduction targets with limiting global warming to 1.5°C.

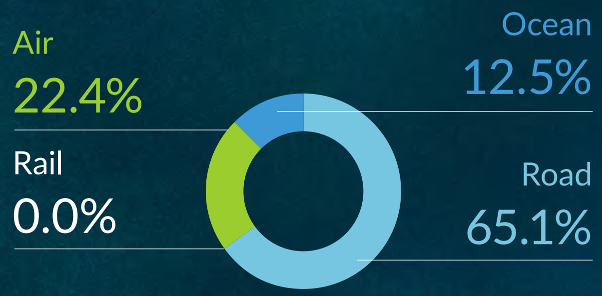
NTG's CO_2 emissions in 2022

(%)



Distribution of Scope 3 emissions

(%)



To achieve SBTi approved carbon emission reduction targets, NTG will develop its emission reduction targets for our scope 1, 2 and 3 Greenhouse Gas emissions in line with the SBTi's criteria and present them to SBTi for an official validation as soon as possible during 2023.

By far the largest part of our carbon emissions originates indirectly from our value chain. To be successful and follow a 1.5 °C scenario, we are highly dependent on the technological development in the transport industry and the velocity of this transition. Our ability to collaborate with customers and obtain support from suppliers is therefore a pivotal step for the carbon emissions reduction from our supply chains.

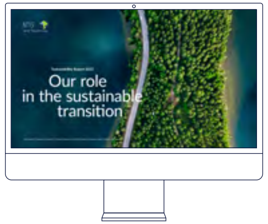
Aiming for a diverse workforce

Besides targets for reducing our carbon emissions, we have decided on relevant KPI's related to our employees, including ambitions on pursuing employment of a diverse workforce and efforts of establishing responsible business practices. Each target within these areas comprises defined ambitions, KPI's and metrics for reporting going forward. Further, several activities must be initiated to influence development in the targeted direction.

Safety among our employees is imperative, why some of our KPI's also focus on reducing incidents that harm our employees physically when performing their daily work. Other KPI's relate to activities aiming at increasing the diversity at all organisational levels in terms of age, nationality, gender, and background.

Responsible business practice

Through our Legal Compliance Program designed to prevent, detect, and mitigate risks regarding corruption, foreign trade controls and competition laws, NTG has implemented a tailored framework to address different risk factors. To implement and create awareness of our Code of Conduct and other content in the Legal Compliance Program and to mitigate risks, it is a key priority to roll out and maintain our online training. For this reason, it is an important key performance indicator for the NTG Group, and we will report yearly on the target that all employees must receive training in Code of Conduct every year. Further, we commit to perform compliance audits of suppliers and NTG entities to monitor the effectiveness of our responsible business practices.



Sustainability Report

Learn more about our ESG strategy, targets, and performance.

Environment and climate

SCIENCE
BASED
TARGETS

NTG is committed to define emission reduction targets for validation by SBTi in 2023.

Employees and diversity

+24%

Increase in ratio of female managers within the Group from 20.5% in 2021 to 25.4% in 2022.

Responsible business practices

82 %

Completion rate of Code of Conduct training in 2022
– Goal: 100 % completion rate.

NTG's 2022 Sustainability Report constitutes NTG's compliance with the statutory reporting as prescribed by sections 99a, 99b, 99d and 107d of the Danish Financial Statements Act. Further, the report contains NTG's compliance with the EU Taxonomy regulation framework (Regulation (EU) 2020/852). The sustainability report is available at https://ntg.com/about/sustainability/.

Powering people

Sowing the seeds for career opportunities, nourishing talents, and harvesting their potential are crucial for NTG to flourish.

Maintaining a strong talent pipeline

Providing talent-based advancement opportunities for all employees on an equal and non-discriminatory basis is of high priority to NTG, and a prerequisite for future success. NTG aspires to maintain and develop its pipeline of skilled employees by attracting new and retaining seasoned talents.

By offering trainee positions, including certified freight forwarding educational programmes within several Group companies, we encourage young people to explore career opportunities in the freight forwarding industry. In this way, we contribute to the educational advancements of the societies we operate within.

NTG aims to retain talented and experienced employees by offering a dynamic workplace with career advancement and development opportunities. Employee co-ownership through NTG's Partnership Model and share-based incentive schemes constitute important incentivisation and retention elements.

The driving forces of NTG

Worldwide, NTG is embodied by more than 2,000 purposeful people who vitalise the greatest asset of the Company.

The employees of NTG have an entrepreneurial mindset; an open-minded approach; an agile and responsive business behaviour; and are truly passionate about servicing customers in a local context through a global network.

Arturs Vilkrists

Managing Director, NTG Latvia, since 2019
Part of NTG since 2015

After several years in different positions within one of NTG's largest subsidiaries, NTG Nordic in Denmark, my advancement to Managing Director of NTG's Latvian subsidiary in 2019 was a culmination of my career ambitions, personal preferences, and an organisational restructuring process in Latvia. With support and responsiveness from the Group Management, I developed confidence in the role during a demanding turnaround period. I truly consider NTG as a company that offers employees the opportunity to explore news career paths and face new challenges in an ambitious environment.

Emilie Rudbech-Hansen

Trainee, NTG Air & Ocean A/S
Part of NTG since June 2021

Approaching the finishing line of an ever evolving and exciting two-year journey as freight forwarding trainee, I feel confident of NTG being the right match for me. NTG fulfilled my expectations at a professional and personal level in what has been a tumultuous period for the entire industry. Being part of a young, dynamic team with all members considered equal, their contributions valued, and suggestions responsively received by superiors, highly motivates me to make a career within the freight forwarding business.

Thomas Thiele Majholt

Managing Director, NTG Air & Ocean Japan since February 2022
Part of NTG since 2014

In my view, NTG offers great career advancement opportunities for employees demonstrating the interest, drive, and potential. As a natural continuation of my career trajectory, I exchanged my role as Business Development Manager in our Danish Air & Ocean subsidiary with the position as Managing Director of our Japanese subsidiary in early 2022. In Japan, I will focus on further trade lane development, general management, and promoting the unique NTG spirit, which I highly value and consider an absolute attractiveness of NTG. I see myself as "building a bridge" between NTG Japan, the Group headquarter, and the rest of NTG's global network.

Outlook 2023 and medium-term financial target

For 2023, we expect an adjusted EBIT of DKK 620-700 million. We maintain our medium-term financial target of DKK 1 billion in adjusted EBIT no later than by the end of 2027.

2023 outlook assumptions

The outlook assumes a weakening macroeconomic environment with continued destocking and muted consumer confidence in the first half of 2023, followed by a gradual rebound in activity during the second half of the year.

The Road & Logistics division is assumed to experience a low single-digit decline in volumes in 2023 compared to 2022. The assumption is based on expectations of moderate adverse developments in transport activity and changing market dynamics driving increasing repositioning cost on certain corridors, partially offset by reduced capacity shortages and normalised spot rates.

The Air & Ocean division is assumed to experience a single-digit decline in volumes in 2023 compared to 2022, with freight rates and yields continuing to decline. The assumption is based on expectations of reduced transport activity resulting from continued inventory depletion and soft consumer confidence.

The outlook for 2023 includes the full-year effects of the acquisitions of Aries Global Logistics, Kontinent Transport, and Solida Logistik. The outlook does not include potential impact from acquisitions during 2023, if any.

The outlook further assumes currency exchange rates at current levels.

Uncertainty remains high and the assumptions underlying the outlook may change.

For 2023, no guidance will be provided on net revenue. This is driven by a combination of freight rate volatility and limited visibility impeding predictability of pass-through revenue effects. Whether revenue guidance will be resumed will be assessed in the wake of any market stabilisation.

Medium-term financial target and assumptions

Our medium-term target, introduced in 2022, remains unchanged.

No later than by the end of 2027, we strive to achieve DKK 1 billion in adjusted EBIT through a combination of organic growth and M&A.

We expect to realise the target through redeployment of free cash flow, and by utilising existing credit facilities of the Group. Thus, the medium-term target is based on a ratio of net-interest bearing debt to EBITDA of less than 3.0.

The medium-term target does not include assumptions of any capital increases albeit we continue to evaluate such funding sources in case of larger acquisitions.

The medium-term target is based on the key assumptions of no additional material adverse events affecting regional and global cargo volumes and trade patterns. The medium-term target further assumes that NTG continues to develop the business, establish start-ups, and execute the M&A agenda.

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.

2023 Outlook

DKK million	2022 realised	2023 guidance	Medium-term financial target no later than 2027
Revenue	10,224		
Adjusted EBIT	758	620-700	1,000

Capital structure

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

Financing

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

NTG targets 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 exceeding long-term needs to shareholders through share buy-back programs.

The Board of Directors evaluates the Group's capital structure on a recurring basis in relation to financial position, expected future cash flow, and 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 utilises 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 an agreed ring-the-bell procedure, cf. Shareholder Information section on page 41-42. Partners cannot be forced to ring the bell, and no predefined 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 program's 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 2023, we mainly intend to use available financial resources and free cash flow to invest in start-ups, acquisitions, and share buy-back programs. In case of investments in planned acquisitions not covered by existing loan facilities, 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 2022.

In 2023, available financial resources will be allocated mainly to investments in start-ups, acquisitions, and share buy-back programs.

No dividend payment is proposed for 2022.

Performance

Financial review | Road & Logistics | Air & Ocean

The Road & Logistics and Air & Ocean divisions profited from strong performance within existing businesses in 2022, accelerated by acquisitions and start-ups.

Financial review

Net revenue totalled DKK 10,224 million with an adjusted EBIT of DKK 758 million, leading to an operating margin of 7.4%. Realised financial results for 2022 are in line with the updated outlook announced in December 2022.

Condensed income statement (DKKm)

	2022	2021
Net revenue	10,224	7,302
Direct costs	-8,212	-5,828
Gross profit	**2,012**	**1,474**
Other external expenses	-253	-188
Staff costs	-779	-587
Adj. EBITDA	**980**	**699**
Amortisations and depreciations	-222	-157
Adj. EBIT	**758**	**542**
Gross margin	19.7%	20.2%
Operating margin	7.4%	7.4%
Conversion ratio	37.7%	36.8%

Full-year growth components

	Discontinued activities	Start-ups	Other organic growth	**Total organic growth**	**Mergers & acquisitions**	**Currency translation**	**Total growth**
Total	-0.4%	0.1%	16.3%	16.0%	25.8%	-1.8%	40.0%
Road & Logistics	-0.3%	0.0%	15.6%	15.3%	9.7%	-2.8%	22.2%
Air & Ocean	-0.5%	0.6%	18.1%	18.2%	77.0%	1.4%	96.6%

Financial performance

Both divisions presented strong results in 2022 with a top-line growth of 40.0% and an increase in adjusted EBIT of 39.9% compared to 2021. The acquisition of AGL was the main growth driver, whereas development of existing business further contributed to expanding NTG's footprint. Restructuring of low-performing business areas provided a slight revenue deterioration.

The acquisition of AGL and full-year effect of acquisitions had a downward effect on gross margin, whereas market normalisation and slight ease of input factor pressure had an offsetting effect. Gross margin came to 19.7%, representing a decline of 0.5 percentage points from 2021. Despite lower gross margins, the hard work of NTG's dedicated employees and the Group's scalable operational structure yielded an operating margin of 7.4%, equal to 2021.

Adjusted free cash flow for 2022 came to DKK 714 million, representing an increase of DKK 426 million from 2021, mainly due to strong cash conversion of the improved operating profit supplemented by positive working capital effects from improvements in collection speed.

ROIC landed on 46.8% driven by the increase in EBIT partly offset by the acquisition of AGL in May 2022.

Integration of companies acquired in 2022 and before is progressing as planned. Special items expenses of DKK 29 million primarily reflects integration efforts during the year and transaction costs related to the acquisition of AGL.

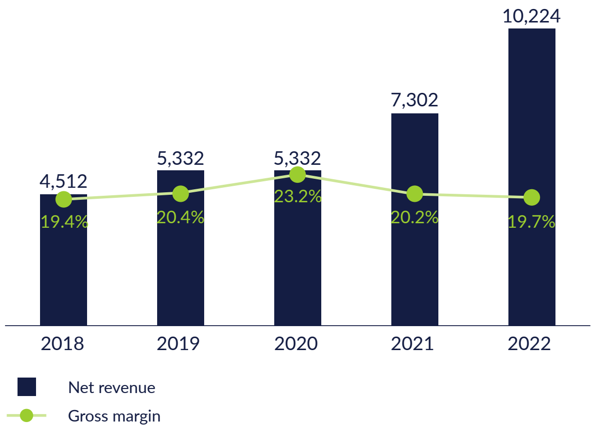
Although the acquisition of AGL in Q2 of 2022 had a significant upward effect on NIBD, the Group's leverage ratio including effects of IFRS 16 declined to 1.0x EBITDA before special items.

Change in accounting practice

Following recent years' expansions of NTG's terminal activities, most notably driven by the acquisition of LGT Group in 2021, and to uphold financial transparency, NTG decided to include all terminal-related costs as part of direct costs with effect as of 1 January 2022. Terminal-related costs were previously included in other external expenses and staff costs. Figures for the comparison period have been restated accordingly. For further information, reference is made to note 1.1.

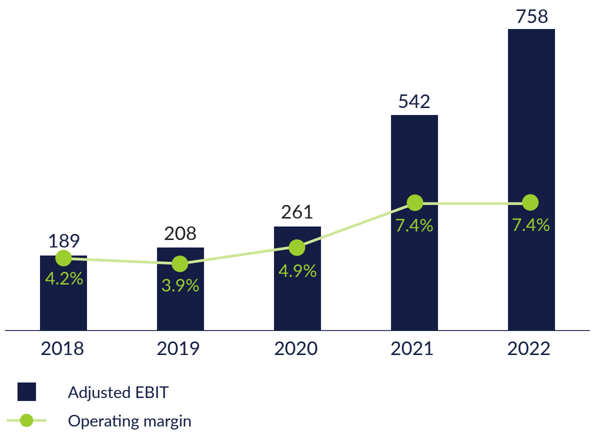
Net revenue and Gross margin*

(DKKm)



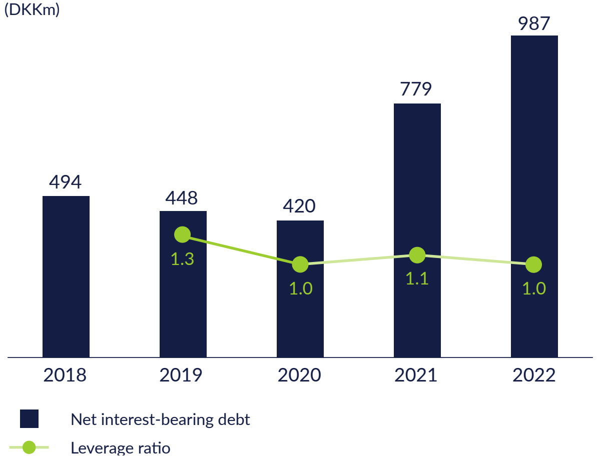
Adjusted EBIT and Operating margin

(DKKm)



Net interest-bearing debt and Leverage ratio

(DKKm)



* Comparative figures for 2021 are restated following the accounting practice change on terminal-related costs. Comparative figures for 2018-2020 have not been restated. Refer to note 1.1 for further information.

Income

Net revenue totalled DKK 10,224 million in 2022 (2021: DKK 7,302 million), corresponding to a growth of 40.0 %. Organic growth was 16.0%, driven by elevated market activity carried over from 2021 resulting in a general rise in freight prices and increase in volumes, offset by starting market normalisation end-year. Acquisition growth was 25.8%, driven by the addition of AGL in May 2022 and to a lesser extent full-year effect of acquisitions in 2021, mainly LGT. Close-down of activities affected growth by negative 0.1%, whereas currency fluctuations affected growth by negative 1.8%.

NTG experienced growth on all the Group's largest geographical markets, mainly driven by USA (595%), Denmark (27%), Sweden (26%), and Finland (17%). Other geographies generally also showed increase in revenues, although slightly offset by discontinuation of the Group's activities in Russia and Belarus.

The Road & Logistics division contributed a total growth of 22.2%, mainly driven by organic growth and followed by full-year effects of acquisitions from 2021.

The Air & Ocean division contributed a total growth of 96.6%, mainly driven by the acquisition of AGL and to a lesser extent increase in pass-through freight rates.

Gross profit totalled DKK 2,012 million in 2022 (2021: DKK 1,474 million), providing a gross margin of 19.7% (2021: 20.2%). The acquisition of AGL provided a minor negative effect to gross margins, whereas continued market normalisation and ease of supply chain pressures during the year gave a slightly offsetting effect.

Other external expenses totalled DKK 253 million in 2022 (2021: DKK 188 million). The increase was mainly affected by the acquisition of AGL and full-year effects of acquisitions from 2021.

Staff costs totalled DKK 779 million in 2022 (2021: DKK 587 million). The increase was mainly due to the acquisition of AGL, full-year effects of acquisitions from 2021 and to a lesser extent from an upward pressure on wages end of year.

Amortisation and depreciation totalled DKK 222 million in 2022 (2021: DKK 157 million). The development was mainly related to depreciation of right-of-use assets under IFRS 16.

39.9%

Growth in adjusted EBIT from 2021 to 2022

Addition of depreciation on right-of-use assets mainly stem from full-year effects of acquisitions from 2021 and a non-recurring income recognised in 2021.

Adjusted EBIT totalled DKK 758 million in 2022 (2021: DKK 542 million) providing an operating margin of 7.4% (2021: 7.4%). Compared with 2021, Road & Logistics contributed a further DKK 101 million to adjusted EBIT (23.5% increase), whereas Air & Ocean contributed a further DKK 115 million to adjusted EBIT (102.7% increase).

Non-controlling interests' share of adjusted EBIT was 9.0% in 2022 (2021: 8.1%).

Special item expenses totalled DKK 29 million in 2022 (2021: DKK 4 million), mainly related to the acquisition of AGL in 2022, integration of LGT acquired in 2021 and disposal of the Group's activities in Russia.

Net financial expenses totalled DKK 48 million in 2022 (2021: DKK 61 million). The decrease was mainly caused by currency exchange rate adjustments. IFRS 16 interest expenses were slightly higher in 2022 compared to 2021.

The effective tax rate for 2022 was 21.4% (2021: 19.3%), affected by utilisation of tax-losses from prior periods following turn-around of certain previously non-profitable activities. Additionally, 2021 was affected by a non-taxable non-recurring income.

Profit for the year totalled DKK 535 million in 2022 (2021: DKK 385 million). Earnings per share was DKK 21.77 per share (2021: DKK 15.64 per share), whereas diluted earnings per share was DKK 21.43 per share in 2022 (2021: DKK 15.35 per share).

Cash flow

Cash flow from operating activities totalled DKK 907 million in 2022 (2021: DKK 462 million). The development was mainly driven by an increase in adjusted EBIT, a decrease in net working capital commitment during 2022 and cash settlement of an exercised warrants program in 2021

Cash flow from investing activities was an outflow of DKK 513 million in 2022 (2021: outflow of DKK 167 million). Cash outflows are mainly related to the acquisition of AGL completed in May 2022.

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 714 million in 2022 (2021: DKK 288 million).

Cash flow from financing activities was negative DKK 231 million in 2022 (2021: negative DKK 438 million). Net cash outflow was mainly influenced by repayment of lease liabilities, and purchase of treasury shares during the year, partly offset by proceeds from loans in connection with the acquisition of AGL. Transactions with minority shareholders had a minor effect during the year.

Capital resources

Net working capital totalled negative DKK 165 as of 31 December 2022 (31 December 2021: negative DKK 187 million). Deterioration is mainly caused by a higher cash commitment in the Air & Ocean segment following the acquisition of AGL. A continued focus on strict cash management across all business areas had an offsetting effect. Implementation of non-recourse factoring programs released DKK 26 million in net working capital as per 31 December 2022.

Net interest-bearing debt totalled DKK 987 million as of 31 December 2022 (31 December 2021: DKK 780 million). Excluding the effects of IFRS 16, net interest- bearing debt would total DKK 201 million (31 December 2021: DKK 25 million). Increase in NIBD is mainly affected by the acquisition of AGL, offset by cash conversion of operational results. The leverage ratio including effects of IFRS 16 was 1.0x EBITDA before special items.

Invested capital totalled DKK 1,900 million as of 31 December 2022 (31 December 2021: DKK 1,339 million). Excluding the effects of IFRS 16, invested capital would total DKK 1,164 million (31 December 2021: DKK 627 million). Return on average invested capital before tax, but including goodwill and effects of IFRS 16, was 46.8% in 2022 (2021: 50.9%).

"The conversion of operating profit to adjusted free cash flow in 2022 clearly illustrates our asset-light setup and continuous efforts to optimise working capital."

Christian D. Jakobsen
Group CFO

Road & Logistics

The Road & Logistics division reported an adjusted EBIT of DKK 531 million in 2022, compared to DKK 430 million in 2021, representing growth of 23.5%. The financial results for 2022 were driven by a combination of volume- and price momentum in addition to full-year impact from acquisitions.

Condensed income statement

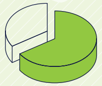
(DKKm)	2022	2021
Net external revenue	6,778	5,548
Gross profit	**1,376**	**1,142**
Amortisations and depreciations	-204	-145
Adj. EBIT	**531**	**430**
Gross margin	20.3%	20.6%
Operating margin	7.8%	7.8%
Conversion ratio	38.6%	37.7%

Countries with subsidiaries

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

48
Operational subsidiaries

16
Countries with local presence



66%
Share of Group revenue

1.413
Number of employees

“NTG successfully navigated volatile market environments in 2022, due to our decentralised and agile setup designed for a world of change. The talented employees of NTG again showed what they are made of”.

Jesper E. Petersen
CEO Road & Logistics

The path of development in 2022 was determined by the ability to safeguard freight capacity and uphold customers’ security of supply. The timely adjustment and balancing of input and output prices was pivotal in securing another year of progress.

Market highlights

2022 was a turbulent year for the Road & Logistics division.

In February 2022, the EU Mobility Package took final effect. As the implications gradually surfaced, mounting capacity shortages led to an increasing number of hauliers exiting the market.

The war in Ukraine added to the uncertainty and unpredictability, resulting in soaring energy prices that affected both domestic and cross-border transports throughout Europe.

Towards the end of the third quarter, the capacity situation stabilised marginally. Albeit capacity remained short in supply, a weakening market outlook and stagnating demand led to reduced supply-side pressure.

The implications of the ongoing war in Ukraine, along with continued scarcity of drivers, continue to impede the inflow of new capacity.

Business highlights

The Road & Logistics division continued its positive trajectory in 2022, driven by the successful adaptation to changing market dynamics as well as contributions from acquisitions.

2022 was another record year for the division, thus repeating the merits of NTG’s decentralised and agile business model.

Due to the war in Ukraine, NTG divested its Russian activities together with related activities in Belarus and Kazakhstan in a management buy-out, completed in April of the year.

Two acquisitions were completed in 2022, namely Kontinent Transport and Solida Logistik in Norway and Sweden, respectively.

The acquisition of Kontinent Transport strengthened the Norwegian setup and added new competencies on Continental European trade lanes. The acquisition was the second bolt-on acquisition by NTG Road Norway in two years.

Case: Introducing NTG Care in Denmark

In December 2022, the Road & Logistics division of NTG established a new start-up, NTG Care, focusing on sensitive and regulated goods.

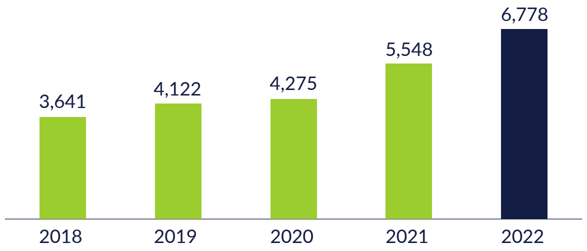
Located in Hvidovre, Denmark, NTG Care will focus on the niches markets involving sensitive and regulated goods.

NTG Care will provide high-quality international road transport solutions to the Pharma & Healthcare and Wine & Spirits (and other drinks) verticals as well as European distribution of general groupage.

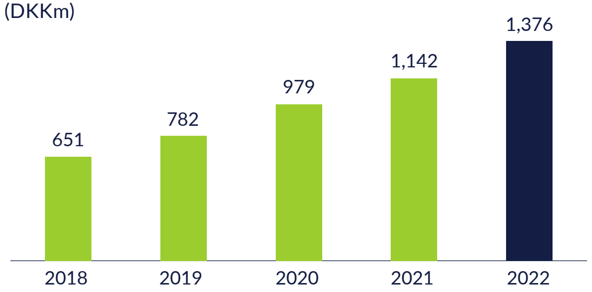
NTG Care was founded together with reputable and experienced individuals from within the industry who will assume the overall responsibility for the business plan execution.

“The establishment of NTG Care marks the beginning of an exciting journey to strengthen NTG´s position within the Pharma & Healthcare and Wine & Spirits verticals in a new partner-driven subsidiary”, says Jesper Petersen, CEO of the Road & Logistics division at NTG.

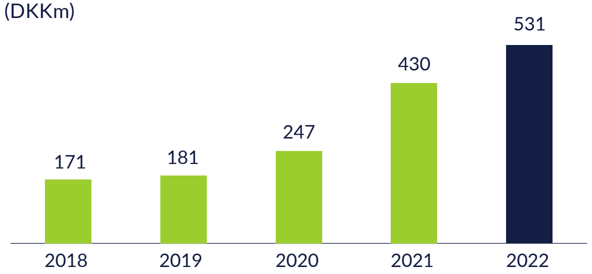
Net revenue
(DKKm)



Gross profit
(DKKm)



Adjusted EBIT
(DKKm)



The acquisition and merger of the activities of Solida Logistik with Transportsektionen, acquired as part of the acquisition of LGT Group in 2021, established a one-stop-shop for 3PL and transportation services in Sweden. The combined entity, now renamed to NTG Logistics, offers warehousing solutions at competitive rates.

Based on the 2021 results, the acquisitions represent approximately DKK 60 million in annual net revenue.

Financial review
Net revenue totalled DKK 6,778 million in 2022 (2021: 5,548 million), corresponding to a growth of 22.2%. Organic growth was 15.3%, mainly from volume- and price-momentum carried over from 2021, whereas acquisition growth was 9.7% from full-year effect of acquisitions from 2021. Currency fluctuations affected negatively by 2.8%.

Gross profit totalled 1,376 million in 2022 (2021: DKK 1,142 million). Continued rise in input prices had a slightly negative effect on gross margins, although continued sales price adaptation alleviated the pressure. Adjusted EBIT totalled 531 million (2021: DKK 430 million), the increase partly driven by raised activity levels, acquisitions and restructuring of low-performing activities.

Focus areas for 2023
In the beginning of 2022, the Road & Logistics division focused on safeguarding existing customer relationships as a consequence of input factor shortages. A selective approach to onboarding of new customers was applied.

As 2022 unfolded, capacity became more accessible, and focus gradually expanded to include new sales initiatives.

In 2023, these initiatives will continue in the pursuit of market share gains, and focus will centre on gaining new contract-based business.

To leverage the scale and reach of the division, 2023 will also see further efforts to promote additional cross sales and a higher degree of collaboration across entities and geographies.

New start-ups and acquisitions will remain a key theme for the division, and the market is actively being monitored for potential opportunities.

We offer tailored road freight and warehousing solutions across Europe

Full-loads
Part-loads
Groupage
Oversized cargo
Projects
Temperature controlled

High-tech
Automotive
Powder
Recycling
Furniture
Textiles

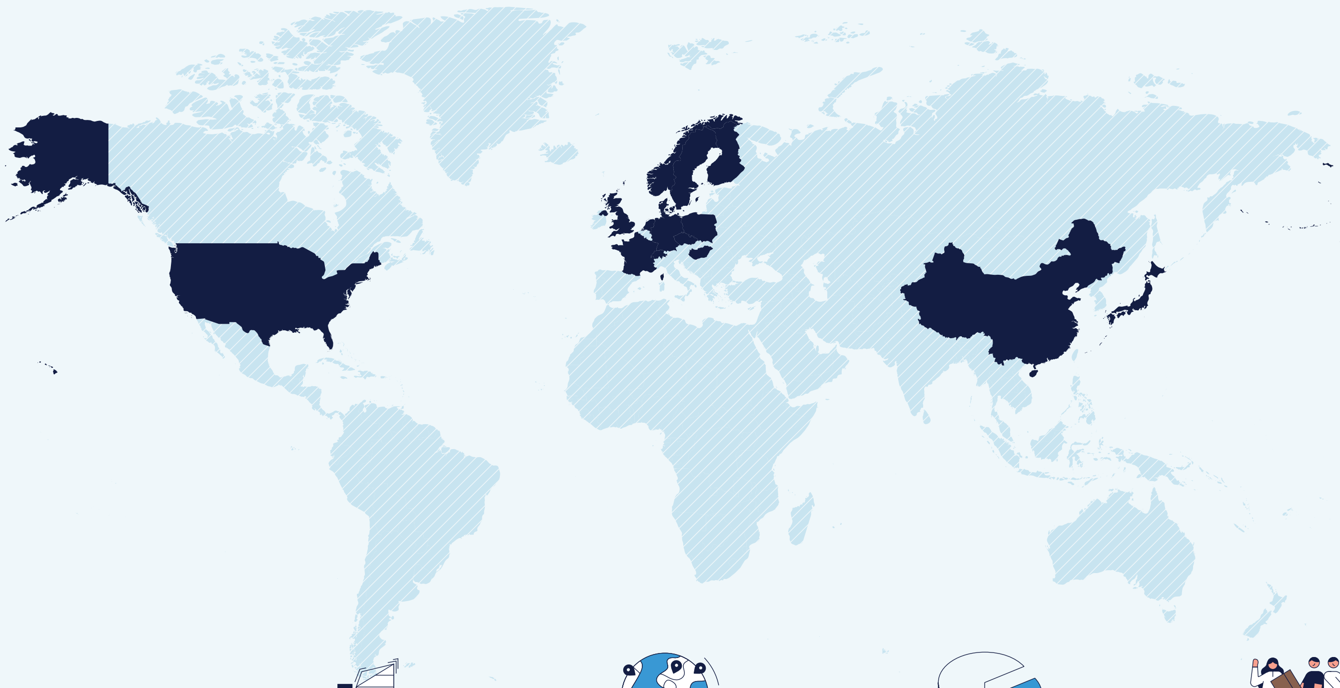
Sensitive and regulated goods
Dangerous goods
Warehousing
Distribution
Customs brokerage
Express service

Air & Ocean

The Air & Ocean division reported an adjusted EBIT of DKK 227 million in 2022, compared to DKK 112 million in 2021, representing growth of 102.7%. The financial results for 2022 were driven by a combination of acquiring AGL in Q2 2022 and carry-over of elevated freight rates from 2021.

Condensed income statement

(DKKm)	2022	2021
Net external revenue	3,446	1,753
Gross profit	**636**	**332**
Amortisations and depreciations	-18	-11
Adj. EBIT	**227**	**112**
Gross margin	18.5%	18.9%
Operating margin	6.6%	6.4%
Conversion ratio	35.7%	33.7%



Countries with subsidiaries

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

18
Operational subsidiaries

16
Countries with local presence

34%
Share of Group revenue

508
Number of employees

2022 was yet another year like no other. Collaboration and speed of response based on prudent market insights were key enablers of growth in a market characterised by low visibility and elevated volatility.

Market highlights

The structural imbalances and uncertainties that characterised global air and ocean markets in the second half of 2021 continued into the first half of 2022, with elevated freight rates and volatility coupled with low visibility.

In February of the year, the war in Ukraine further accelerated market imbalances, and renewed disruptions to global supply chains led to further capacity shortages on trade lanes previously transcending Russian and Ukrainian territories.

Uncertainties persisted in the first half of 2022, as continued port congestions in the US and Europe as well as COVID-inflicted lockdowns in China affected ocean transports.

Following several quarters of imbalances, the second half of 2022 marked the beginning of a softening of global air and ocean freight markets.

In ocean freight, increasing energy prices and inventory destocking caused reduced demand and freight rate declines which accelerated in the second half of the year.

In air freight, softening demand across key trade lanes, capacity steadily returning to the market, and ocean freight re-emerging as a less expensive alternative drove rates onto a declining trajectory.

By year end, evidence of air and ocean freight rates bottoming out was, however, yet to be seen.

Business highlights

The stabilisation within the air and ocean markets posed new opportunities in 2022.

Sales and productivity-enhancing initiatives were launched to counter the downward pressure on yields, by pursuing market share gains amid spot rates dipping below rates contracted by potential customers.

In 2022, the organisation was further strengthened by the addition of new managing directors in Denmark, Germany, the Czech Republic, and, through the acquisition of AGL, the US.

On 6 May 2022, NTG completed the acquisition of Aries Global Logistics (AGL), which

"2022 was another hectic and unpredictable year for our customers and employees. We overcame these challenges together, and we expanded our scale and footprint significantly. I look forward to the opportunities that lie ahead".

Søren Holck Pape
CEO Air & Ocean

Case: Introducing NTG Air & Ocean in the Czech Republic

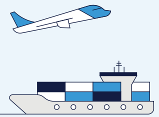
In 2022, the Air & Ocean division of NTG established a new start-up in the Czech Republic.

The new office, located in Prague, became fully operational as per 1 July 2022. With its central location in Europe, the new partner-driven subsidiary with employee co-ownership brings favourable opportunities for NTG.

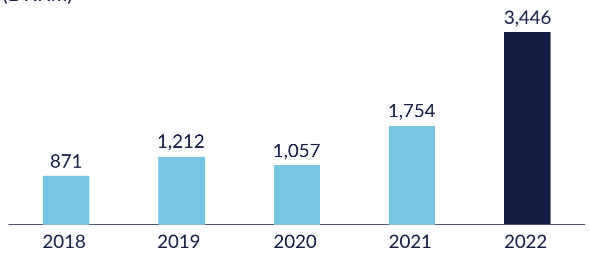
The team leading the start-up collectively offers more than 30 years of experience within the freight forwarding industry.

"I am very pleased that the Air & Ocean division continues our European expansion with a new start-up in the Czech Republic", says Søren Holck Pape, CEO of the Air & Ocean division at NTG.

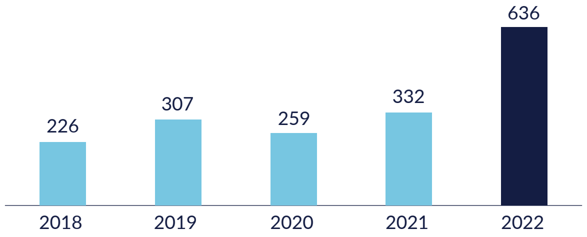
"The expansion through start-ups is a key element of NTG's DNA, where empowerment and freedom to operate through our decentralised setup is imperative to our continued success in attracting the right talents and driving our ambitious growth agenda".



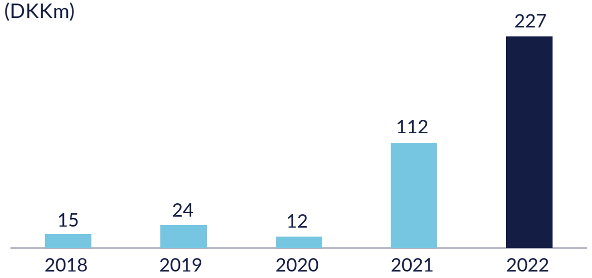
Net revenue
(DKKm)



Gross profit
(DKKm)



Adjusted EBIT
(DKKm)



marked a significant milestone in the development of the Air & Ocean division.

The acquisition strengthened the scale and competitiveness of the division globally while nearly doubling its revenue and volumes.

With a sizeable, unified setup, the Air & Ocean division is set to further expand its activities in the US.

For additional information on the acquisition of AGL, reference is made to note 7.1.

Financial review
Net revenue totalled DKK 3,446 million in 2022 (2021: 1,753 million), corresponding to a growth of 96.6%. Organic growth was 18.2%, mainly from carry-over of elevated freight rates whereas acquisition growth was 77.0% from the acquisition of AGL in May 2022. Currency fluctuations affected positively by 1.4%

Gross profit totalled 636 million in 2022 (2021: DKK 332 million). Continued elevated freight rates and the acquisition of AGL had a negative effect on gross margins, although the development had an overall positive effect on profitability. Adjusted EBIT totalled 227 million (2021: DKK 112 million), the increase mainly driven by the acquisition and raised activity, supported by restructuring of low-performing activities.

Focus areas for 2023
In 2023, focus will remain on close collaboration with customers and suppliers to safeguard an agile and competitive value proposition.

Seizing opportunities that arise out of the prevailing market volatility will be the overarching theme.

To capture market shares and counter the downward pressure on yields, 2023 will see the launch of new initiatives to increase sales and productivity.

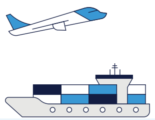
Productivity-enhancing initiatives will be part of a broader digitalisation push that includes a division-wide roll out of CargoWise.

The roll-out enables the development of new tools, features, and data engines, aimed at increasing managerial transparency, desk-level productivity and enhancing customers' access to relevant information.

In 2023, the division will further leverage the combined scale to further enhance its value proposition.

Initiatives include consolidation of procurement with key strategic partners, an LCL product launch, and further trade lane development through closer collaboration across entities and geographies.

New start-ups and acquisitions will remain a key theme for the division in 2023, and the market is actively being monitored for potential opportunities.

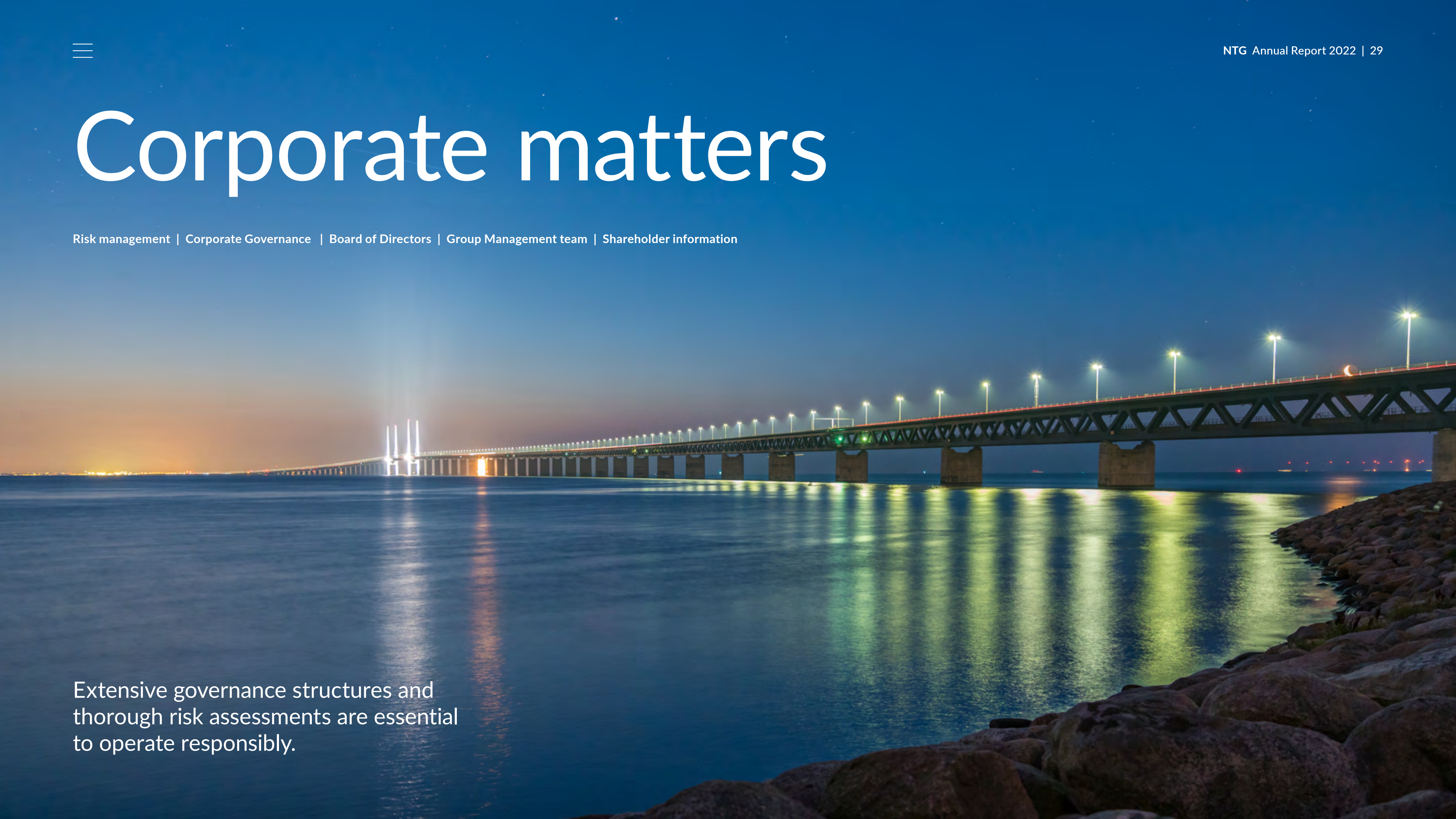


We offer the entire range of air and ocean freight services throughout Europe and worldwide

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

Corporate matters

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



Extensive governance structures and thorough risk assessments are essential to operate responsibly.

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, or prospects.

Based on our Q4 risk evaluation, it is Group Management's assessment that identified risks 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 management framework and provides recommendations to the Board of Directors. The Executive Management is responsible for the design and maintenance of the Group's risk management process.

NTG's organisation is characterised by a flat hierarchy with short lines of communication, meaning that new risks quickly come to the attention of the Executive Management and can be managed in a timely manner.

Risk management process

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

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

2) Analysis and assessment: Identified risks are recorded in a work register and assessed on the basis of likelihood of occurrence and potential financial impact. The assessment of financial impact is determined relative to the Group's total adj. EBIT.

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

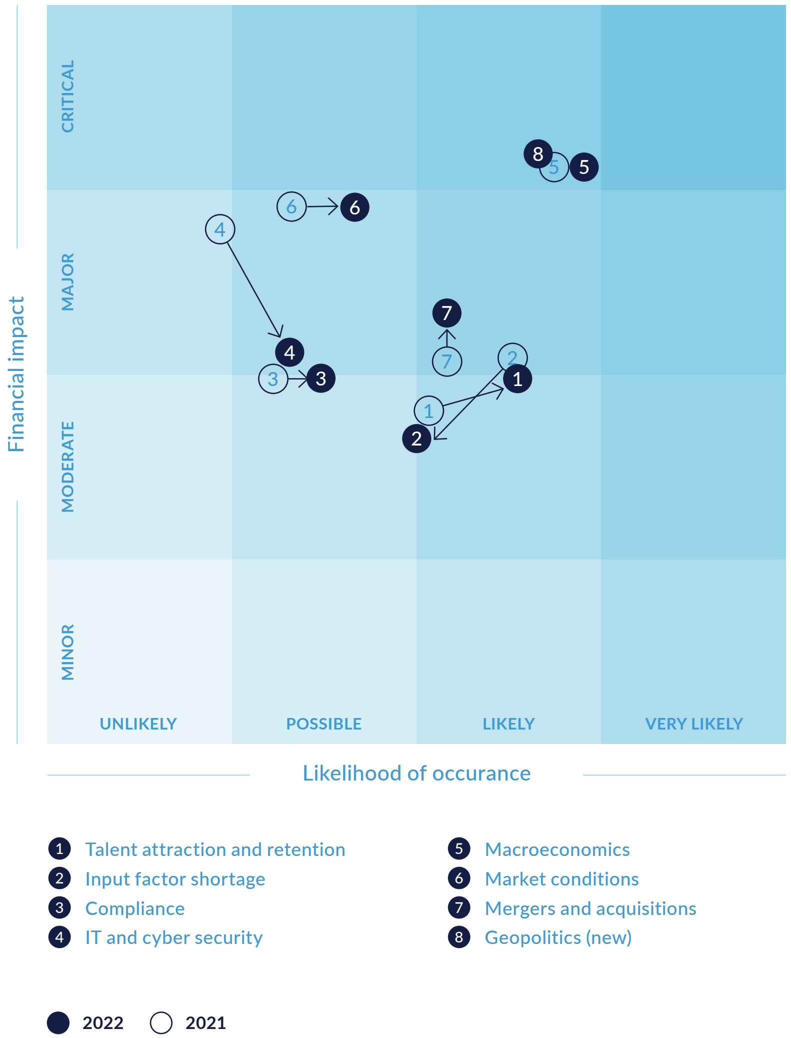
4) Risk reporting: Key risks and mitigating actions are reported in accordance with the risk governance structure.

Key risks

As a result of our risk management process, we have classified eight risks as key risks to NTG. This year, we included geopolitics as a new key risk.

Risks are categorised into Strategic and Operational risks. Strategic risks are broad and long-term risks considered in our strategic planning. Operational risks are short-term risks managed in our day-to-day business.

Financial exposures, such as currency and interest rate exposures are managed by Group Management and are described further in note 6.4.



1 Talent attraction and retention

Category: Strategic

Likelihood:

Financial impact:

Risk description
Employees and partners are vital to NTG, and NTG is dependent on highly motivated and skilled staff with an entrepreneurial mindset.
Failure to retain key employees or attract talents could potentially have long-term consequences for the development of NTG.

Risk mitigation
NTG acknowledges talented and high-performing employees by providing an inspiring platform, an entrepreneurial spirit, and possibilities for development and career advancements.
Further, the Partnership Model of NTG enables selected partners to take part in their own success, while being backed by an extensive network and standardised back-offices functions.
Also, NTG offers a retention and incentive programme with a share option element.

Risk assessment
Until now, there has been a high pressure on the job market, and it has been increasingly difficult to attract and retain talent, and NTG has experienced increased attrition.
We expect that the recent macroeconomic developments can relieve some of the pressure on the job market, and we therefore expect that retention and talent attraction will become easier to manage. Still, it is critical to create and maintain an attractive workplace.

2 Input factor shortage

Category: Operational

Likelihood:

Financial impact:

Risk description
NTG is dependent on the availability of trucks and truck drivers as well as air and ocean capacity. If shortages occur, we might not be able to service the customers.

Risk mitigation
In 2022, NTG's flexible and adaptive staff has proved able to handle input factor shortages.
Further, NTG maintains relationships with 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.

Risk assessment
In the past two years, NTG's main capacity constraints have been independent hauliers. The EU Mobility Package has put further pressure on capacity during 2022.
Generally, the air and ocean markets have a lower likelihood of capacity shortage, and we are already seeing eased capacity for both air and ocean. However, congestions can still affect the capacity situation. As the Air & Ocean division now represents a larger share of NTG, it contributes to dilute the overall capacity shortage risk at Group level.
Thus, the overall likelihood of input factor shortage has decreased. Further, NTG has been able to adapt to the capacity shortage and avoid a negative financial impact. Based on this experience, the potential financial impact is reduced compared to 2021.

3 Compliance

Category: Operational

Likelihood:

Financial impact:

Risk description
As a publicly listed company with international activities, NTG is subject to extensive regulatory requirements, and compliance with relevant legislation and regulatory standards is imperative for us.
Customers and regulation are further adding compliance and reporting requirements in relation to ESG and climate matters.

Risk mitigation
NTG monitors relevant regulatory areas, and has implemented a compliance framework, which amongst others comprises our corporate Code of Conduct, sanctions screenings, mandatory compliance training for employees, Supplier Code of Conduct, processes for monitoring the compliance risks across our subsidiaries, and our whistle-blower system.
Further, NTG has short lines of communication, which allows for quick escalation of potential compliance risks.
NTG's ESG function ensures compliance with relevant ESG related requirements.

Risk assessment
Still increasing regulation, such as the EU Mobility Package, third party responsibility for hauliers, data privacy, ESG reporting requirements, sanctions, trade barriers, and transfer pricing documentation, and the increased footprint in the US increase the overall likelihood of a compliance breach, compared to earlier.
An elevated number of sanctions further increases the risk of compliance breaches.
Based on NTG's mitigating actions, systems and processes, the likelihood of a material compliance breach is considered relatively low.

2022 2021

4 IT and cyber security

Category: Operational

Likelihood:

Financial impact:

Risk description
NTG is dependent on IT systems and network access for our daily operations, ongoing compliance, monitoring, as well as internal and external reporting.
As NTG becomes increasingly digitised, NTG is increasingly dependent on IT. A breach of our IT security or internal control systems could cause disruption to our operations, or a data leak resulting in non-compliance that adversely affects our reputation.

Risk mitigation
Improving and strengthening cyber security is a strategic priority for NTG, supported by NTG's internal Cyber Security Plan developed in accordance with the requirements of CIS 18.
NTG's IT department regularly tests our cyber security resilience, including with the assistance of cyber security specialists.
Fast onboarding of new entities to the Group's common IT platforms, reduces the number of vulnerabilities within our IT landscape.
Additionally, NTG has ongoing cyber security awareness trainings for employees, and NTG has both cyber security and IT crime insurance coverage.

Risk assessment
Following additional acquisitions, more IT systems have been added to the Group. It is a high priority to integrate acquired businesses on to the common IT platform to reduce exposures and vulnerabilities.
An increasing activity from IT criminals drives a higher likelihood of an adverse event in relation to IT and cyber security.
Therefore, despite NTG's mitigating actions, we assess that the likelihood of the risk is higher than last year.
Increased insurance coverage and NTG's cyber security resilience reduce the potential consequences and financial impact slightly, compared to earlier.

5 Macroeconomics

Category: Strategic

Likelihood:

Financial impact:

Risk description
Freight forwarding is a cyclical business, affected by the development in the global macroeconomic activity and global trade patterns.
This includes the effects of disruptive and geopolitical forces, such as instability in global supply chains, restrictions on free trade, or the imposition of trade barriers.
Further, different macroeconomic stability and inflation across regions affects interest and FX rates.

Risk mitigation
NTG operates an asset-light business model, which enables adaption to fluctuations in volumes.
NTG's solid financial position and credit facilities help withstand a macroeconomic downturn and enable NTG to pursue possible M&A opportunities.
NTG has a relatively diverse customer portfolio, not being dependent on single large customers or industries, and the acquisition of Aries Global Logistics in 2022, has further diversified NTG's geographical footprint.

Risk assessment
Initiated by disruptive events, mainly being the Russia/Ukraine conflict and the energy supply crisis in Europe, combined with high inflation and the slowdown in the Chinese economy, we anticipate a period of reduced activity.
Based on the above, both the likelihood and potential financial impact of this risk have increased compared to last year.
However, on the back of strong financial performance and a solid financial position, NTG is ready to seize opportunities that may arise.

6 Market conditions

Category: Strategic

Likelihood:

Financial impact:

Risk description
The freight forwarding industry is continually undergoing gradual changes that affect competitive dynamics. Changes originate from incumbents as well as new entrants. The global economy, regulation, technological advances, process automation, digitalisation and change in business models are examples of drivers of development in the industry.

Risk mitigation
As a relatively young business, NTG has an entrepreneurial mindset, which is reflected in NTG's agile organisation. NTG employees are creative and open for new ideas and business opportunities and deliver a high degree of flexibility and customer service.
NTG's Partner Model incentivises and enables local management in NTG's subsidiaries to adapt to changing market dynamics in order to grow their part of the business.
Although not being a frontrunner, NTG keeps up with technological developments, especially in terms of digitalisation, system standardisation, workflow automations and optimisation.

Risk assessment
The macroeconomic changes will affect the competitive environment, and with volume decreases, freight rates will become a more competing factor.
For Air & Ocean, increasing excess capacity influences freight rates negatively.
For Road & Logistics, the EU Mobility Package somewhat prolongs the driver shortages, and the Ukraine/Russia conflict is expected to still put some pressure on capacity in 2023. However, decreasing volumes will expectedly reduce the imbalance experienced through 2022.
With NTG's skilled employees, financial position and operational setup, NTG has a good basis to adapt to the competitive situation.

● 2022 ○ 2021

7 Mergers and acquisitions

Category: Strategic

Likelihood:

Financial impact:

Risk description

Acquiring companies is a cornerstone of NTG's growth strategy.

The continued value-creation from acquisitions is dependent on identification of the right targets, the right price, efficient execution, and effective integration.

Risk mitigation

NTG has an acquisition framework. The framework ensures targets' strategic fit with NTG's existing organisation, due diligence procedures, identification and evaluation of key employees, involvement of NTG's local operations in the M&A process, and step-wise evaluation of the M&A opportunities by Group Management. The involvement of NTG's local operations contributes to capitalise on local market knowledge and ensures local commitment.

Further, we are conscious about potential differences between historical and forward looking market conditions and performance. When deemed relevant, we seek to structure the consideration paid for acquisitions to account for any such potential uncertainties.

Risk assessment

NTG has had a solid acquisition track-record since inception and has built strong M&A experiences and practices along the way.

Moving into a more challenging M&A market due to the current macroeconomic developments, it is important that we are still able to achieve the business plans for prior acquisitions and that we are diligent about the forward looking statements of potential M&A targets. Therefore, the financial impact of the M&A risk has increased compared to last year.

The macroeconomic development and market conditions will likely also bring M&A opportunities. NTG has a strong basis to execute on such opportunities.

8 Geopolitics (new)

Category: Strategic

Likelihood:

Financial impact:

Risk description

Geopolitical forces impact global trading volumes and trading patterns. Recently, we are seeing an increased level of geopolitical tensions and sanctions affecting the market that we operate in, such as the tensions between Russia and the western world, and to some extent the tensions between China and the western world.

Further, the energy supply crisis in Europe affects consumers and certain industries.

Risk mitigation

By operating an asset light business model with an agile and entrepreneurial organisation, NTG is able to adapt quickly to changes in the business environment.

NTG has implemented a process to raise awareness and perform regular sanctions screenings.

In relation to the energy supply crisis in Europe, fluctuations in the diesel price are passed on to our customers, which mitigates NTG's exposure.

Risk assessment

Due to the increasing relevance, we have, this year, presented geopolitics as a separate risk from macroeconomics.

Geopolitics should be observed separately, and not only through the consequences of geopolitical actions that predominantly affect the compliance, macroeconomic and market conditions risks.

We consider the likelihood of occurrence of geopolitical risks as likely, and the potential financial impact as critical due to the potential scope of such forces and the fact that the geopolitical risks are outside of our control.

2022 2021

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.

No members resigned and no new members were elected to the Board of Directors in 2022.

The Board of Directors currently comprises 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 37-38 for an overview of the current board members' individual competencies.

Independence

Five of the six members of the Board of Directors are regarded 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

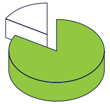
Nordic Transport Group A/S (the former parent company of the Group). As a result, he is not regarded as independent according to the Danish Recommendations on Corporate Governance.

Board meetings in 2022

The Board of Directors held nine board meetings in 2022.

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 2022.



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 is elected as Chairman of the Audit Committee. 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 2022.

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 programmes 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 2022.

Nomination Committee

The Nomination Committee comprises three members: Jørgen Hansen (Chairman), Jesper Præstensgaard and Eivind Drachmann Kolding. The Nomination 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 2022.

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.

Recommendations on Corporate Governance

NTG observes the Recommendations on Corporate Governance. NTG complies with all 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 all recommendations on Corporate Governance.

Meeting attendance in 2022

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

Board of Directors



	Eivind Drachmann Kolding – Chairman	**Jørgen Hansen – Deputy Chairman**	**Karen-Marie Katholm**
Board member since	2019	2019	2020
Term	Up for re-election in 2023	Up for re-election in 2023	Up for re-election in 2023
Considered independent	Independent	Not independent	Independent
Nationality, Born, Gender	Danish, 1959, Male	Danish, 1960, Male	Danish, 1967, Female
Committees	Audit Committee: Member Remuneration Committee: Chairman Nomination Committee: Member	Remuneration Committee: Member Nomination Committee: Chairman	
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	· Founder of NTG · Former Group CEO of NTG · 30+ years of experience in freight forwarding as manager and entrepreneur	· 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	· Chairman of the board of directors in Danmarks Skibskredit A/S, DAFA Group A/S, and MFT Energy A/S · Deputy chairman of the board of directors in NNIT A/S, Leo Fondet, and Leo Holding A/S · Board member in Altor Fund Manager AB	· Board member in H5 Housing A/S, H5 Capital ApS, H5 Invest ApS, 1893 Invest ApS, H5 Erhvervsejendomme ApS, H5 Holding 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 Holding ApS, and AFH 2020 ApS	· Deputy chairman of the board of directors in F. Uhrenholt Holding A/S · Board member in Chr. Augustinus Fabrikker Aktieselskab, Terma A/S, and Caf Invest A/S · Executive in Akzo Nobel N.V.
Shareholdings, end 2022	21,521	3,709,047*	4,507
Shareholding changes 2022	0	0	0

* In addition, Jørgen Hansen controls 150,000 voting rights.

Board of Directors



	Carsten Krogsgaard Thomsen	**Finn Skovbo Pedersen**	**Jesper Præstensgaard**
Board member since	2020	2019	2019
Term	Up for re-election in 2023	Up for re-election in 2023	Up for re-election in 2023
Considered independent	Independent	Independent	Independent
Nationality, Born, Gender	Danish, 1957, Male	Danish, 1955, Male	Danish, 1964, Male
Committees	Audit Committee: Chairman	Audit Committee: Member	Remuneration Committee: Member Nomination Committee: Member
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	· 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	· 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	· Board member in SKAKO A/S, SKAKO Concrete A/S, and SKAKO Vibration A/S	· Chairman of the board of directors in Føniks A/S and Marjattahjemmenes Støttefond · Executive in Zukunft ApS	· Chairman of the board of directors 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 2022	5,294	8,600	9,245
Shareholding changes 2022	0	0	+2,606

Group Management team

Executive Management

Michael Larsen
Group CEO
Born 1976
CEO since 2021

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

NTG has been listed on Nasdaq Copenhagen since October 2019 and advanced from the Mid Cap to Large Cap index as of 3 January 2022.

The NTG share closed at a price of DKK 238.5 per share on 30 December 2022 compared to a closing price of DKK 534.0 per share on 30 December 2021. During the same period, the Nasdaq OMX Copenhagen Large Cap index decreased by 5.8%. As of year-end 2022, the market capitalisation of NTG was DKK 5.4 billion.

According to data from Nasdaq Copenhagen, the average daily trading volume of NTG was 29,627 shares in 2022, corresponding to an average daily turnover of DKK 9.3 million. The average daily share trading volume in 2022 represents a decrease of 29% compared to 2021, and a decrease of 17% if adjusting for the accelerated bookbuild offering on 1 December 2021.

Share buy-backs and dividends

On 12 August 2022, NTG announced the launch of a share buy-back program for an aggregate maximum amount of DKK 100 million, up to 310,000 shares. The program was completed on 29 November 2022. 310,000 shares in total were acquired under the program corresponding to an aggregate value of DKK 75,170,397.

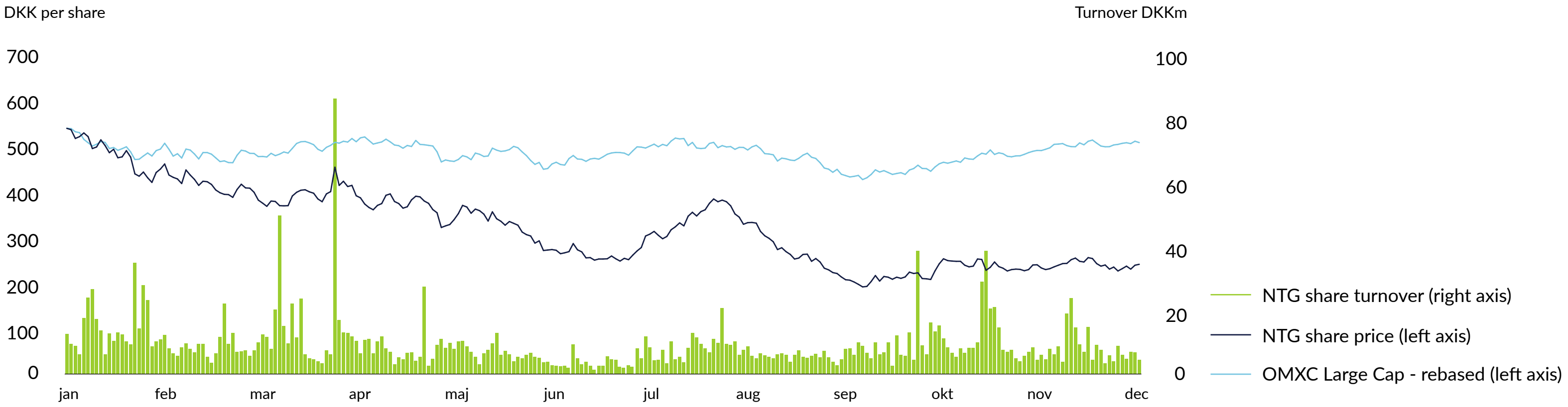
On 6 December 2022, NTG announced the launch of another share buy-back program for an aggregate maximum amount of DKK 50 million, up to 240,000 shares. The program was completed on 20 January 2023. 204,161 shares in total were acquired under the program corresponding to an aggregate value of DKK 49,999,961.

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

No dividends have been proposed for 2022. For further information on the capital allocation principles, reference is made to page 18.

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)	793,076
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 5.4 billion
Share price (year-end)	DKK 238.5



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Shareholders

As per 31 December 2022, NTG had 14,435 registered shareholders, representing 97.6% 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 16.4% of the share capital of NTG. In addition to the direct shareholding, H5 Capital ApS indirectly controls 150,000 voting rights in NTG through the closely associated person to H5 Capital ApS and Jørgen Hansen, 1893 Invest ApS.

- 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. (Copenhagen, Denmark) holds more than 5% of the share capital of NTG.

- Arbejdsmarkedets Tillægspension (Hillerød, Denmark) holds more than 5% of the share capital of NTG.

Holdingselskabet af 7. marts 2019 ApS (Under frivillig likvidation), 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. Holdingselskabet af 7. marts 2019 ApS (Under frivillig likvidation) entered voluntary liquidation in December 2022. In connection with completion of the liquidation, expected during the first half of 2023, the shares held in NTG will be distributed to the individual shareholders of the holding company.

In addition to any indirect ownership held through Holdingselskabet af 7. marts 2019 ApS (Under frivillig likvidation), 18.6% of the share capital of NTG is held by other key employees of NTG and its subsidiaries, also referred to as Partners.

2.5% of the share capital is held by certain members of the Board of Directors, other than Jørgen Hansen, as well as the Executive Management.

The number of shares held in treasury as per 31 December 2022 corresponds to 3.5% of the share capital.

NTG has no majority shareholders.

Ring-the-bell

NTG's decentralised business model, with 66 operational subsidiaries owned together with more than 120 employees as minority shareholders, is based on an 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.

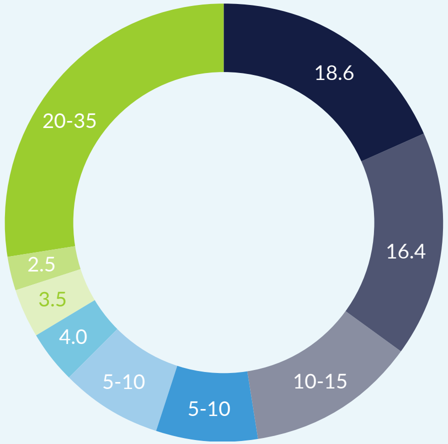
Based on seniority, minority shareholders in the relevant subsidiaries may offer their shares to NTG against payment in cash or shares in NTG. NTG has no obligation to acquire the shares offered. Once a ring-the-bell process has been requested, the share-swap occurs over a five-year period subject each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

In 2022, one or more minority shareholder(s) in five subsidiaries of NTG completed a ring-the-bell share sale, by settlement in NTG shares, based on the financial results for 2021.

Compositions of shareholders as per 31 December 2022

%

- Partners
- H5 Capital ApS
- Vindtunneln Holding AB
- Chr. Augustinus Fabrikker Akts.
- Arbejdsmarkedets Tillægspension
- Holdingselskabet af 7. marts 2019 ApS (under frivillig likvidation)
- Treasury shares
- Executive Management and Board of Directors (excluding Jørgen Hansen)
- Other shareholders



Total number of shares

22,649,406

In addition, one or more minority shareholders in eight subsidiaries of NTG requested to initiate ring-the-bell share sales in 2023, based on the financial results for 2022.

In the beginning of 2023, the Board of Directors decided to accept the continuation and initiation of these 13 ring-the-bell share sales, based on the financial results for 2022.

One or more minority shareholder(s) in five additional subsidiaries of NTG have requested to initiate ring-the-bell share sales in 2024, based on the financial results for 2023.

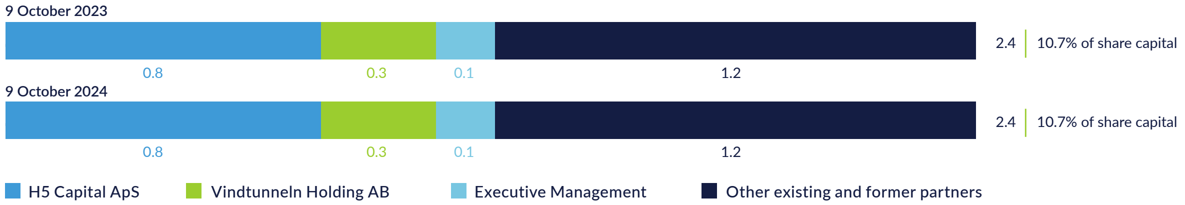
The Board of Directors will decide on the continuation and initiation of the 18 ring-the-bell share sales in total, based on the financial results for 2023, in the beginning of 2024, in accordance with the principles of NTG's ring-the-bell concept.

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. Shares subject to lock-up undertakings will be released in accordance with the profile below:

Share release from lock-up

(Number of shares, million)



Key employees who obtained shares in NTG through a share swap in connection with the listing of NTG, or who has swapped shares in subsidiaries to shares in NTG through ring-the-bell, are obliged to carry out any sale of shares in a coordinated manner. In 2022, 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 Executive 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 up to a total of 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.

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 the full-year, half-year, or interim financial reports.

The NTG share is covered by Danske Bank Markets, Nordea Markets, and SEB.

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

Christian D. Jakobsen,
Group CFO
T +45 42 12 80 99
ir@ntg.com

Press

Camilla Marcher Lydom,
Investor Relations & Corporate Communications Manager
T +45 42 12 80 90
press@ntg.com

Financial calendar 2023

8 March
Annual Report 2022

30 March
Annual general meeting

8 May
Interim financial report Q1 2023

3 August
Interim financial report H1 2023

31 October
Interim financial report Q3 2023

Quarterly financial overview

Empowerment, decentralisation, and collaboration are the cornerstones of NTG's business model.

Quarterly financial overview

(DKKm)	2022 FY	2022 Q4	2022 Q3	2022 Q2	2022 Q1
Total					
Net revenue	10,224	2,496	2,821	2,729	2,178
Gross profit	2,012	518	533	533	428
Adj. EBIT	758	173	209	217	159
Gross margin	19.7%	20.8%	18.9%	19.5%	19.7%
Operating margin	7.4%	6.9%	7.4%	8.0%	7.3%
Conversion ratio	37.7%	33.4%	39.2%	40.7%	37.1%
Road & Logistics					
Net revenue	6,778	1,627	1,730	1,754	1,667
Gross profit	1,376	339	337	365	335
Adj. EBIT	531	125	134	148	124
Gross margin	20.3%	20.8%	19.5%	20.8%	20.1%
Operating margin	7.8%	7.7%	7.7%	8.4%	7.4%
Conversion ratio	38.6%	36.9%	39.8%	40.5%	37.0%
Air & Ocean					
Net revenue	3,446	869	1,091	976	510
Gross profit	636	179	196	167	94
Adj. EBIT	227	48	75	68	36
Gross margin	18.5%	20.6%	18.0%	17.1%	18.4%
Operating margin	6.6%	5.5%	6.9%	7.0%	7.1%
Conversion ratio	35.7%	26.8%	38.3%	40.7%	38.3%

(DKKm)	2021 FY	2021 Q4	2021 Q3	2021 Q2	2021 Q1
Total					
Net revenue	7,302	2,172	1,870	1,720	1,540
Gross profit*	1,474	443	369	347	315
Adj. EBIT	542	161	143	137	101
Gross margin*	20.2%	20.4%	19.7%	20.2%	20.5%
Operating margin	7.4%	7.4%	7.6%	8.0%	6.6%
Conversion ratio	36.8%	36.3%	38.8%	39.5%	32.1%
Road & Logistics					
Net revenue	5,548	1,652	1,392	1,326	1,178
Gross profit*	1,142	352	282	269	239
Adj. EBIT	430	129	107	113	81
Gross margin*	20.6%	21.3%	20.3%	20.3%	20.3%
Operating margin	7.8%	7.8%	7.7%	8.5%	6.9%
Conversion ratio	37.7%	36.6%	37.9%	42.0%	33.9%
Air & Ocean					
Net revenue	1,753	520	477	394	362
Gross profit	332	91	87	78	76
Adj. EBIT	112	32	36	24	20
Gross margin	18.9%	17.5%	18.2%	19.8%	21.0%
Operating margin	6.4%	6.2%	7.5%	6.1%	5.5%
Conversion ratio	33.7%	35.2%	41.4%	30.8%	26.3%

* 2021 R&L figures restated with new GP accounting policy. Please refer to note 1.1. for further information.

Financial Statements

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

Income Statement

(DKKm)	Note	2022	2021
Net revenue	2.2	10,224	7,302
Direct costs	2.3	-8,212	-5,828
Gross profit		**2,012**	**1,474**
Other external expenses	2.4	-253	-188
Staff costs	2.5	-779	-587
Operating profit before amortisations, depreciations and special items		**980**	**699**
Amortisations and depreciation of intangible and tangible fixed assets	2.6	-222	-157
Operating profit before special items		**758**	**542**
Special items, net	2.7	-29	-4
Financial income	2.8	15	3
Financial costs	2.8	-63	-64
Profit before tax		**681**	**477**
Tax on profit for the year	3.1	-146	-92
Profit for the year		**535**	**385**
Attributable to:			
Shareholders in NTG A/S		482	349
Non-controlling interests		53	36
Earnings per share			
Earnings per share (DKK)	6.2	21.77	15.64
Diluted earnings per share (DKK) for the period	6.2	21.43	15.35

Statement of Other Comprehensive Income

(DKKm)	Note	2022	2021
Profit for the year		**535**	**385**
Items that may be reclassified to the income statement:			
Foreign exchange adjustments of subsidiaries		-13	8
Items will not be reclassified to the income statement:			
Actuarial adjustments on retirement benefit obligations	8.3	42	22
Tax relating to items that will not be reclassified	3.1	-	1
Other comprehensive income, net of tax		**29**	**31**
Total comprehensive income		**564**	**416**
Attributable to:			
Shareholders in NTG A/S		513	380
Non-controlling interests		51	36

Cash Flow Statement

(DKKm)	Note	2022	2021
Operating profit before special items		758	542
Depreciation and amortisations etc.		222	157
Share-based payments	8.2	6	-40
Change in working capital etc.		130	-50
Change in provisions		-16	-1
Financial income received	2.8	15	3
Interest paid on leasing contracts	5.3	-35	-30
Other financial expenses paid	2.8	-28	-33
Corporation taxes paid	3.1	-116	-82
Special items	2.7	-29	-4
Cash flow from operating activities		**907**	**462**
Purchase of property, plant and equipment	5.2	-10	-12
Disposal of intangible assets, property, plant and equipment	5.2	5	5
Acquisition of business activities	7.1	-492	-152
Changes in other financial assets		-16	-8
Cash flow from investing activities		**-513**	**-167**
Free cash flow		**394**	**295**

Statement of adjusted free cash flow*

(DKKm)	2022	2021
Free cash flow	394	295
Special items	29	4
Acquisition of business activities	492	152
Repayment of lease liabilities reversed	-201	-163
Adjusted free cash flow	**714**	**288**

* Adjusted free cash flow 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	2022	2021
Repayment of loans		-	-192
Proceeds from loans		125	100
Repayment of lease liabilities	5.3	-201	-163
Proceeds and repayments of other financial liabilities	4.5	-19	-20
Shareholders and non-controlling interests			
Purchase of treasury shares	6.1	-98	-113
Dividends paid to non-controlling interests	6.1	-31	-18
Acquisition of shares from non-controlling interests		-35	-33
Disposal of shares to non-controlling interests		28	1
Cash flow from financing activities		**-231**	**-438**
Cash flow for the year		**163**	**-143**
Cash and cash equivalents at beginning of period		**99**	**236**
Cash flow for the year		163	-143
Currency translation adjustments		-9	6
Cash and cash equivalents at 31 December**		**253**	**99**

** Cash and cash equivalents are presented in the balance sheet less bank overdrafts of DKK 28 million (2021: DKK 112 million). The cash and cash equivalents at 31 December disclosed in the cash flow statement include DKK 15 million (2021: 35 million) which are held on deposit accounts with some limitations in use.

Balance Sheet

(DKKm)	Note	31.12.2022	31.12.2021
Assets			
Intangible assets	5.1	1,392	857
Property, plant and equipment	5.2	69	78
Right-of-use assets	5.3	736	712
Other receivables	4.2	65	28
Deferred tax assets	3.2	40	50
Total non-current assets		**2,302**	**1,725**
Trade receivables	4.1	1,430	1,211
Other receivables	4.2	85	94
Cash and cash equivalents	4.3	281	211
Corporation tax		6	1
Total current assets		**1,802**	**1,517**
Total assets		**4,104**	**3,242**

(DKKm)	Note	31.12.2022	31.12.2021
Equity and Liabilities			
Share capital	6.1	453	453
Reserves and retained earnings		514	105
NTG A/S shareholders' share of equity		**967**	**558**
Non-controlling interests	7.2	97	76
Total equity		**1,064**	**634**
Deferred tax liabilities	3.2	10	3
Pensions and similar obligations	8.3	74	119
Provisions	5.4	2	3
Financial liabilities	4.5	423	105
Lease liabilities	4.5	603	594
Total non-current liabilities		**1,112**	**824**
Provisions	5.4	51	68
Financial liabilities	4.5	59	131
Lease liabilities	4.5	183	161
Trade payables	4.4	1,347	1,181
Other payables	4.4	224	210
Corporation tax		64	33
Total current liabilities		**1,928**	**1,784**
Total liabilities		**3,040**	**2,608**
Total equity and liabilities		**4,104**	**3,242**

Statement of Changes in Equity

(DKKm)	Share capital	Treasury share reserve	Translation reserve	Retained earnings	**Shareholders' share of equity**	Non-controlling interests	**Total equity**
2022							
Equity at 1 January	453	-10	2	113	**558**	76	**634**
Profit for the year	-	-	-	482	**482**	53	**535**
Net exchange differences recognised in OCI	-		-11	-	-11	-2	-13
Actuarial gains/(losses)	-	-	-	42	42	-	42
Other comprehensive income, net of tax	-	-	-11	42	**31**	-2	**29**
Total comprehensive income for the year	-	-	-11	524	**513**	51	**564**
Transactions with shareholders:							
Share-based payments	-	-	-	6	6	-	6
Tax on share-based payments	-	-	-	-12	-12	-	-12
Dividends distributed	-	-	-	-	-	-31	-31
Purchase of treasury shares	-	-9	-	-95	-104	-	-104
Acquisition of shares from non-controlling interests	-	3	-	-17	-14	-21	-35
Disposal of shares to non-controlling interests	-	-	-	20	20	22	42
Total transactions with owners	-	-6	-	-98	**-104**	-30	**-134**
Equity at 31 December	453	-16	-9	539	**967**	97	**1,064**

Statement of Changes in Equity

(DKKm)	Share capital	Treasury share reserve	Translation reserve	Retained earnings	**Shareholders' share of equity**	Non-controlling interests	**Total equity**
2021							
Equity at 1 January	453	-4	-6	-111	**332**	61	**393**
Profit for the year	-	-	-	349	**349**	36	**385**
Net exchange differences recognised in OCI	-	-	8	-	8	-	8
Actuarial gains/(losses)	-	-	-	22	22	-	22
Tax on other comprehensive income	-	-	-	1	1	-	1
Other comprehensive income, net of tax	-	-	8	23	**31**	-	**31**
Total comprehensive income for the year	-	-	8	372	**380**	36	**416**
Transactions with shareholders:							
Share-based payments	-	-	-	-40	-40	-	-40
Tax on share-based payments	-	-	-	28	28	-	28
Dividends distributed	-	-	-	-	-	-18	-18
Purchase of treasury shares	-	-6	-	-107	-113	-	-113
Acquisition of shares from non-controlling interests	-	1	-	-30	-29	-4	-33
Disposal of shares to non-controlling interests	-	-	-	-	-	1	1
Other adjustments	-	-1	-	1	-	-	-
Total transactions with owners	-	-6	-	-148	**-154**	-21	**-175**
Equity at 31 December	453	-10	2	113	**558**	76	**634**

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 2022 was approved by Executive Management and the Board of Directors on 8 March 2023 and will be presented for approval at the subsequent Annual General Meeting on 30 March 2023.

1.1 Accounting policies, estimates and judgements

The Annual Report for the period 1 January - 31 December 2022 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 2021, except for the presentational update to terminal-related costs (refer to "changes in accounting policies").

The Group has implemented all new EU-approved standards, interpretations, and amendments effective on 1 January 2022. 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.

Changes in accounting policies

Expansion of the Group's terminal activities, including the acquisition of LGT Group in September 2021 has increased the materiality of terminal activity and related financial transactions. To increase transparency of the Group's financial reporting and comparability between activity areas, the Group has chosen to amend accounting policies regarding costs associated with terminal activity effective 1 January 2022.

Reclassified costs include facility, packaging, and personnel expenses directly attributable to the Group's terminals.

Such costs are now presented as part of the financial statement item "direct costs" from previously "other external expenses" and "staff costs", respectively. Depreciation of right-of-use assets and other costs related to leasing contracts for terminal properties as per IFRS 16 are not reclassified. Figures for the comparison period, 2021, have been restated accordingly. 2021 impact of reclassification is presented in the table below. The restatement only concerns the Road & Logistics segment.

	Full-year 2021		
(DKKm)	**Published**	**Impact**	**Restated**
Net revenue	7,302		7,302
Direct costs	-5,710	-118	-5,828
Gross profit	**1,592**	**-118**	**1,474**
Other external expenses	-210	22	-188
Staff costs	-683	96	-587
EBITDA	**699**	**-**	**699**
Amortisations and depreciation	-157	-	-157
EBIT	**542**	**-**	**542**

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published but are not mandatory for 31 December 2022 reporting. These standards are not expected to have a material impact on the entity in the current or future reporting periods and have therefore not been early adopted.

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 can 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 (note 7.1).

Consolidation is performed by summarising 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

Notes

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 million.

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)
- Accrued revenue and accrued cost of services (note 2.2)

Refer to 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 30-33 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 be- fore 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.

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)	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Segment revenue	6,805	5,565	3,455	1,762	-	1	10,260	7,328
Revenue (between segments)	-27	-17	-9	-9	-	-	-36	-26
Revenue (external)	6,778	5,548	3,446	1,753	-	1	10,224	7,302
Gross Profit **	**1,376**	**1,142**	**636**	**332**	**-**	**-**	**2,012**	**1,474**
Amortisation and depreciations	-204	-145	-18	-11	-	-1	-222	-157
Operating profit before special items	**531**	**430**	**227**	**112**	**-**	**-**	**758**	**542**
Gross margin %	20.3%	20.6%	18.5%	18.9%			19.7%	20.2%

* Total assets and liabilities for each segment is not reported because such amounts are not regularly provided to the CODM
** 2021 R&L figures restated with new GP accounting policy. Please refer to note 1.1. for further information.

Net revenue per country

(DKKm)	2022	2021
Denmark	3,084	2,432
Sweden	1,705	1,350
USA	1,686	243
Germany	827	784
Finland	865	740
Other	2,057	1,753
Total	**10,224**	**7,302**

Non-current assets*

(DKKm)	2022	2021
Denmark	1,163	1,151
USA	467	-
Sweden	177	197
Germany	55	40
Finland	98	71
Other	246	216
Total	**2,206**	**1,675**

* 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 immaterial effect on the Group's consolidated revenue.

Accrued revenue and accrued costs of services in progress at 31 December 2022 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. Direct costs mainly comprises costs for hauliers, shipping companies and airlines. Costs related to staff fulfilling customer orders and other costs of terminal operations are also included.

2.4 Other external expenses

Accounting policies

Other external expenses include expenses related to IT, training and education, office facilities, travelling and other costs of operations and maintenance. Costs transferred to direct costs are excluded.

2.5 Staff costs

Accounting policies

Staff costs include salaries, bonuses, pensions, social security costs, vacation pay and other benefits, but exclude terminal-related staff costs recognised as direct costs.

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.

No government grants was recognised in 2022 (2021: DKK 1 million was recognised as received government grants, deducted in wages and salaries).

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)	2022	2021
Wages and salaries	770	571
Defined contribution pension plans	36	24
Defined benefit pension plans	2	2
Other social security costs	96	64
Share-based payment	6	8
Other staff costs	20	14
Total staff costs	**930**	**683**
Recognised in the income statement items:		
Terminal-related workers, presented as Direct costs	151	96
Other employees, presented as Staff costs	779	587
Total	**930**	**683**
Average full time employees	1,978	1,621
Number of full-time employees at year-end	2,002	1,893

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)	2022	2021
Amortisation of intangible assets	1	1
Depreciation of tangible assets	11	9
Impairment of tangible assets	-	2
Depreciation of right-of-use assets, IFRS 16	212	148
Termination settlements, IFRS 16	-2	-3
Total	**222**	**157**

In 2022, depreciation of right-of-use assets cf. IFRS 16 were affected by an impairment loss of DKK 9 million related to a logistic facility in Sweden and a release of an impairment resulting in an income of DKK 6 million, related to a logistic facility in the Netherlands.

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 are comprised as follows:

(DKKm)	2022	2021
Transaction and integration costs from business combinations	12	4
Operational loss from disposal of activities	6	-
Restructuring and integration costs	8	-
Other costs	3	-
Total	**29**	**4**

Notes

2.7 Special Items – continued

Accounting policies

Special items impact the income statement items as specified in the table below:

(DKKm)	2022			2021		
	Reported income statement	Special Items	Unadjusted income statement	Reported income statement	Special Items	Unadjusted income statement
Net revenue	10,224	-	10,224	7,302	-	7,302
Direct costs	-8,212	-	-8,212	-5,828	-	-5,828
Gross profit	**2,012**	**-**	**2,012**	**1,474**	**-**	**1,474**
Other external expenses	-253	-26	-279	-188	-	-188
Staff costs	-779	-3	-782	-587	-4	-591
Operating profit before amortisation and depreciation	**980**	**-29**	**951**	**699**	**-4**	**695**
Amortisation and depreciation	-222	-	-222	-157	-	-157
Operating profit	**758**	**-29**	**729**	**542**	**-4**	**538**
Special items, net	-29	29	-	-4	4	-
Financial income	15	-	15	3	-	3
Financial expenses	-63	-	-63	-64	-	-64
Profit before tax	**681**	**-**	**681**	**477**	**-**	**477**

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 labilities etc.

Financial income

(DKKm)	2022	2021
Interest income	5	1
Exchange differences	5	-
Other financial income	5	2
Total	**15**	**3**

Financial expenses

(DKKm)	2022	2021
Interest expense	15	4
Calculated interest on pensions plan (note 8.3)	2	1
Exchange differences	-	18
Other financial expenses	11	10
Interest on lease liabilities	35	31
Total	**63**	**64**

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 146 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)	2022	2021
Tax for the year:		
Tax on profit for the year	146	92
Tax on other comprehensive income	-	1
Tax on other changes in equity	12	-28
Total tax for the year	**158**	**65**

(DKKm)	2022	2021
Tax on profit for the year:		
Current tax	139	96
Adjustment of deferred tax	6	-11
Adjustment of tax from prior periods	1	7
Total tax on profit for the year	**146**	**92**

(DKKm)	2022	2021
Parent company's income tax rate	22.0%	22.0%
Tax effect of:		
Higher/lower tax rate in subsidiaries	0.1%	-1.0%
Other non-taxable items	-1.1%	-3.6%
Adjustments of tax from prior periods	0.2%	1.4%
Revaluation of deferred tax assets and liabilities	0.2%	0.5%
Effective tax rate	**21.4%**	**19.3%**

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)	2022	2021
Movement on deferred tax, net		
Deferred tax at 1 January	47	8
Deferred tax for the year	-6	11
Tax on changes in equity	-12	18
Additions from business combinations	-	10
Other adjustments	1	-
Deferred tax at 31 December	**30**	**47**

Recognised deferred tax assets at 31 December 2022 are mainly attributable to temporary differences relating to leasing contracts (DKK 10 million), and share-based payment programs (DKK 9 million).

The Group has non-recognised tax assets totalling DKK 458 million at year-end 2022 (2021: DKK 402 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 a pre-tax amount of DKK 1,709 million (2021: DKK 1,742 million) acquired from the transaction with former Neurosearch A/S. The Parent Company realised a one-off exchange rate income in 2022 enabling a utilisation of DKK 33 million pre-tax. 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. The tax value of non-recognised tax-losses related to former Neurosearch A/S totals DKK 376 million (2021: DKK 383 million).

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)	2022	2021
Trade Receivables	1,430	1,211
Other financial assets at amortised cost	150	122
Cash and Cash equivalents	281	211

Financial liabilities (amortised cost)

(DKKm)	2022	2021
Trade and other payables	1,571	1,391
Other financial liabilities	482	236
Lease liabilities	786	755

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

Trade receivables are measured at amortised cost less allowance for bad debt based on expected credit losses.

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)	2022	2021
Trade Receivables	1,493	1,244
Less provision for impairment	-63	-33
Trade Receivables net	**1,430**	**1,211**

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 presented in the balance sheet statement comprise deposits on bank accounts.

Cash and cash equivalents presented in the balance sheet statement also include DKK 15 million which are held on deposit accounts with some limitations in use. Deposits are subject to regulatory restrictions and are therefore not available for general use by other entities within the Group.

Cash and cash equivalents presented in the cash flow statement includes DKK 28 million (2021: DKK 112 million) on short-term bank overdraft accounts, which form an integral part of the Group's cash management activities.

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.

Notes

4.5 Other financial liabilities

Accounting policies

Other financial liabilities consist of loans from credit institutions, contigent considerations in relation to acquisitions and short-term bank overdrafts.

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.

Financial liabilities

	2022			
(DKKm)	Carrying amount	0-1 year	1-5 years	> 5 years
Trade and other payables	1,571	1,571	-	-
Other financial liabilities	482	59	423	-
Lease liabilities	786	164	387	235
Total, discounted	**2,839**	**1,794**	**810**	**235**
Interest	189	55	84	50
Total, undiscounted	**3,028**	**1,848**	**894**	**285**

	2021			
(DKKm)	Carrying amount	0-1 year	1-5 years	> 5 years
Trade and other payables	1,391	1,391	-	-
Other financial liabilities	236	131	105	-
Lease liabilities	755	161	335	259
Total, discounted	**2,382**	**1,683**	**440**	**259**
Interest	190	49	86	55
Total, undiscounted	**2,572**	**1,732**	**526**	**314**

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

Accounting policies

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

Customer relationships
On initial recognition, customer relationships identified from business combinations are recognised in the balance sheet at fair value. Subsequently, customer relationships are measured at cost less accumulated amortisation and impairment losses. Customer relationships are amortised on a straight-line basis based on the estimated customer life, usually up to 7 years.

Impairment
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, and
- Air & Ocean

	2022				2021			
(DKKm)	Acquired Rights	Customer relationships	Goodwill	Total	Acquired Rights	Customer relationships	Goodwill	Total
Cost at 1 january	**2**	**-**	**857**	**859**	**2**	**-**	**506**	**508**
Acquisitions through business combinations	-	7	535	542	-	-	352	352
Additions for the year	-	-	-	-	-	-	-	-
Disposals at cost	-	-	-	-	-	-	-2	-2
Currency translation adjustments	-	-	-6	-6	-	-	1	1
Cost at 31 December	**2**	**7**	**1,386**	**1,390**	**2**	**-**	**857**	**859**
Impairment losses and amortisation at 1 january	**2**	**-**	**-**	**2**	**1**	**-**	**-**	**1**
Amortisation for for the year	-	1	-	1	1	-	-	1
Disposals during the year	-	-	-	-	-	-	-	-
Currency translation adjustments	-	-	-	-	-	-	-	-
Impairment losses and depreciation at 31 December	**2**	**1**	**-**	**3**	**2**	**-**	**-**	**2**
Carrying amount at 31 December	**-**	**6**	**1,386**	**1,392**	**-**	**-**	**857**	**857**

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 1,386 million. For goodwill impairment testing, a number of estimates are made. Estimates are made for development in revenues, operating profits, 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. The division operates as a mature market participant. Hence, future growth is expected to converge with the general market development in terms of volume and sales prices. Similarly, the assumed operating margin represents that of a mature business in the market.

The Air & Ocean division operates internationally, and its future cash flows are therefore exposed to developments in global trade and economy. The division is in a growth stage, which entails a growth higher than the makets in which NTG operate. The assumed operating margin is also representative of expected investments into scalability.

The expected future net cash flow is based on budgets and business plans approved by Management for the year 2023 and projections for subsequent years up to and including 2027. Projections in the budget period are derived from the Group's historical above-industry growth rates. From 2027, 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. Impairment tests for 2022 show significant headroom between carrying amounts and the calculated recoverable amounts.

Goodwill impairment

	2022	
(DKKm)	**Road & Logistics**	**Air & Ocean**
Carrying amount of goodwill	736	651
Budget period		
Annual Growth	4.0%	6.0%
Operating margin	5.5%	4.5%
Terminal Period		
Growth	2.0%	2.0%
Pretax discount rate	10.4%	11.4%

	2021	
(DKKm)	**Road & Logistics**	**Air & Ocean**
Carrying amount of goodwill	727	130
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%

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)	2022 Land & Buildings	2022 Other Fixtures and fittings, tools and equipment	2022 Total	2021 Land & Buildings	2021 Other Fixtures and fittings, tools and equipment	2021 Total
Cost at 1 January	**41**	**67**	**108**	**42**	**76**	**118**
Additions through business combinations	-	-	-	-	7	7
Additions for the year	-	10	10	-	12	12
Disposals at cost	-9	-9	-18	-1	-12	-13
Currency translation adjustments	-	-4	-4	-	-1	-1
Other adjustments	-	-	-	-	-15	-15
Cost at 31 December	**32**	**64**	**96**	**41**	**67**	**108**
Impairment losses and depreciation at 1 January	**6**	**24**	**30**	**5**	**21**	**26**
Depreciation for the year	-	11	11	1	8	9
Impairment	-	-	-	-	3	3
Disposals during the year	-5	-8	-13	-	-8	-8
Currency translation adjustments	-	-1	-1	-	-	-
Impairment losses and depreciation at 31 December	**1**	**26**	**27**	**6**	**24**	**30**
Carrying amount at 31 December	**31**	**38**	**69**	**35**	**43**	**78**

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)	2022	2021
0 > 1 year	218	210
1 - 5 years	471	421
> 5 years	285	314
Total undiscounted lease liabilities at 31 December	**974**	**945**

Cash flow related to leasing contracts

(DKKm)	2022	2021
Short-term leases (included in direct costs and other external expenses)	16	17
Low-value assets that are not short-term leases (included in other external expenses)	2	1
Interest expenses part of cashflow	35	31
Lease payments	201	163
The total cash outflow for leases	**254**	**212**

Right-of-use assets

	2022			2021		
(DKKm)	Land & Buildings	Other Plant & Equipment	Total	Land & Buildings	Other Plant & Equipment	Total
Opening balance 1 January 2021	463	249	712	339	215	554
Additions from business combinations	32	1	33	171	49	220
Additions during the period	86	172	258	27	125	152
Disposals during the period	-10	-32	-42	-33	-32	-65
Depreciations	-81	-120	-201	-40	-107	-147
Impairment	-9	-	-9	-	-	-
Currency translation adjustments	-10	-5	-15	-1	-1	-2
Carrying amount at 31 December	**471**	**265**	**736**	**463**	**249**	**712**

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 as such, no interest expense pertaining to the passage of time is recognised.

The Group's provisions are divided into two categories: 1) 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, and transfer of provisions related to lease contracts off setting the right-of-use assets.

	2022		
(DKKm)	Legal claims and restructuring	Other provisions	Total
Carrying amount at 1 January	29	42	71
Acquired through business combination	-	1	1
Additional provisions recognised	-	2	2
Unused amounts reversed	-3	-3	-6
Transfer to right-of-use assets	-	-9	-9
Transfer to other balance sheet line items	6	-7	-1
Amounts used during the year	-4	-1	-5
Currency translation	1	-1	-
Carrying amount at 31 December	**29**	**24**	**53**

	2022		
(DKKm)	Current	Non-current	Total
Legal claims and restructuring	27	2	29
Other provisions	24	-	24
Total	**51**	**2**	**53**

Notes

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 2022, the share capital of NTG Nordic Transport Group A/S was DKK 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	2021	2022
Share capital 1 January	25	25	449	453	453
Capital increase	-	424	4	-	-
Share capital 31 December	**25**	**449**	**453**	**453**	**453**

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.

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.

	Number of shares	Nominal value (DKKm)	Part of share capital	Market value (DKKm)
Treasury shares at 1 January	515,751	10	2.3%	275
Ring-the-bell consideration paid	-152,050	-3	-0.7%	-55
Purchase of shares etc.	429,375	9	1.9%	104
Value adjustment				-135
Treasury shares at 31 December	**793,076**	**16**	**3.5%**	**189**

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 2022.

Notes

6.2 Earnings per share

Share capital

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

Earnings per share

(DKKm)	**2022**	**2021**
Profit attributable to shareholders in NTG Nordic Transport Group A/S	482	349
('000 shares)		
Average number of shares	22,649	22,649
Average number of treasury shares	-505	-329
Average number of shares in circulation	**22,144**	**22,320**
Dilutive effect of outstanding share-based payment programs	345	420
Diluted average number of shares in circulation	**22,489**	**22,740**
Earnings per share	**21.77**	**15.64**
Diluted earnings per share	**21.43**	**15.35**

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 1.0 at 31 December 2022.

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, USD, DKK and SEK. 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**
USD/DKK	-5%	-13
SEK/DKK	-5%	-8

Notes

6.4 Financial risks – continued

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 2022, the undrawn amount of committed credit facilities totalled DKK 497 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.

During 2022, the Group expensed DKK 23 million on expected losses on trade receivables, corresponding to 0.22 % of the Group's net revenue.

Due to insignificant 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	1,019	0.2%	2
1-30 days	303	0.5%	2
31-180 days	118	2.0%	2
181 - 360 days	25	50.0%	13
More than 360 days	28	100.0%	28
Loss allowance	**1,493**		**47**
Individual assessments			16
Loss allowance	**1,493**		**63**

At 31 December 2022 trade receivables were written down by DKK 63 million (2021: DKK 33 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 2022 reconcile to the opening allowances as follows:

Movement in allowance for doubtful trade receivables

(DKKm)	2022	2021
Carrying amount at 1 January	33	31
Additions through business combinations	26	1
Impairments realised during the year	-19	-14
Allowances for losses during the year	23	15
Carrying amount at 31 December	**63**	**33**

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.

Accounting estimates and judgments

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

Aries Global Logistics.

On 6 May 2022, NTG completed the acquisition of 100% of the shares in Aries Global Logistics (AGL). AGL is a full-service international air and ocean freight forwarder. AGL offers a range of value-added services including in-house customs-house brokerage and third-party inland transportation and warehousing solutions.

Consideration transferred

The total consideration consists of a cash payment of DKK 496 million in addition to a contingent consideration. The contingent consideration is determined based on the financial performance of AGL and NTG's existing US subsidiaries in 2022 (pro forma) and 2023. A sustained level of financial performance will result in payment of the maximum amount of USD 35 million. On 31 December 2022, the maximum earn-out consideration of USD 35 million (DKK 246 million) was recognised. Management considers it unlikely that a reasonable possible adverse change in financial performance could result in a significantly lower value of the contingent consideration liability. Fair value is determined based on expected financial performance (level 3).

Adjusted for the fair value of acquired cash and cash equivalents of DKK 64 million, the net cash flow amounted to DKK 481 million (outflow), which includes an accelerated earn-out payment of DKK 27 million and change of control payment of DKK 22 million.

Aries Global Logistics **(DKKm)**	**Fair values at date of acquisition**
Intangible assets	7
Right-of-use assets	26
Trade receivables	472
Other receivables, short term	1
Cash and cash equivalents	64
Total assets	**570**
Provisions, current	1
Financial liabilities, current	21
Lease liabilities, current	26
Trade payables	282
Other payables	20
Total liabilities	**350**
Non-controlling interests' share of acquired net assets	-
Acquired net assets	**220**
Fair value of consideration	742
Goodwill arising from the acquisition	**522**

Notes

7.1 Acquisition and disposal of entities – continued

Earnings impact
During the period after the acquisition, AGL contributed with DKK 1,350 million to the Group's net revenue, DKK 75 million to the Group's adj. EBIT and DKK 53 million to the result after tax. If the acquisition had taken place 1 January 2022 the Group's net revenue would have amounted to DKK 11,073 million and result after tax would have amounted to DKK 572 million.

Transaction costs
Transaction costs of DKK 12 million were recognised during the period. Transactions costs are accounted for in the income statements as special items.

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 above.

Fair value of acquired trade receivables and other receivables amounts to DKK 472 million. Collectability of receivables has been assessed based on Group credit assessment policies. In total DKK 26 million has been provided for as doubtful trade receivables.

Customer relationships have been measured using a multi-period excess earnings model (MEEM), which is based on calculating the discounted cash flows reflecting the economic benefits attributable to the customer base after consideration of all value contributions of other assets. In total, customer relationships of DKK 7 million have been included in the opening balance.

Goodwill is primarily related to synergy effects from integration with NTG's existing infrastructure and network. The acuisitions gives rise a future deductibility of entry values pertaining to intangible assets of DKK 244 million according to US tax rules.

Integration of AGL 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.

Kontinent Transport and Solida Logistik
On 1 July and 1 December, NTG completed the acquisition of the activities of Kontinent Transport and Solida Logistik

Kontinent Transport is a Norwegian freight-forwarder specializing in transportation between Continental Europe and Norway.

Solida was founded in 2019 in Bjärnum, Sweden, and specialises in third-party logistics ("3PL"), including warehousing, handling, and related transportation services.

Information about the acquisitions Kontinent transport and of Solida Logistik are disclosed in aggregate.

Consideration transferred
The total consideration transferred amounted to DKK 11 million. The net cashflow amounted to DKK 11 million as no cash and cash equivalents was acquired.

Earnings impact
The activities from both companies have been merged into existing NTG companies and operations. It is not practicable to disclose the earnings impact during the year. Hence no earnings impact is disclosed.

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.

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

Kontinent Transport and Solida Logistik **(DKKm)**	**Fair values at date of acquisition**
Right-of-use assets	7
Total assets	**7**
Lease liabilities	7
Other payables	1
Total liabilities	**8**
Non-controlling interests' share of acquired net assets	-
Acquired net assets	**-1**
Fair value of consideration	11
Goodwill arising from the acquisition	**12**

Notes

7.1 Acquisition and disposal of entities – continued

Divestments during the year
As a result of the outbreak of war in Ukraine in Q1 2022, NTG decided to pursue a divestment of its Russian and Belarusian activities. In April 2022, an agreement to divest the Russian and Belarusian activities in a management buy-out.
The Group completed 1 divestment during the year (2021: 0)

Divestment overview

Company	Polar Logistics subgroup
Country	Russia, Belarusia
Type	Country exit
Segment	Road & Logistics
Excluded from P/L	March
Interest	79.6%
Annual revenue* (DKKm)	83
Employees* (number)	50

* Based on 2021 figures.

The divestment impact is given below:

Divestment impact

(DKKm)	2022
Non-current assets	2
Cash and cash equivalents	1
Other current assets	5
Current liabilities	-6
Net assets disposed	**2**
Gain/-loss on divestment, net	-2
Divestment costs	-4
Consideration received/-paid	**-4**

Portion of consideration received via cash or cash equivalents amounted to DKK 0 million.

Acquisitions in 2021
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).

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).

For further details on the acquisitions acquired in 2021 please refer to note 7.1 of the Groups annual report 2021.

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 concept of swapping their subsidiary shares with shares in the Parent Company (the "Ring-the-bell" concept). 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 21 million was acquired from non-controlling interests in 2022. In addition to various minor transactions with non-controlling interests in the course of maintaining the Group's partnership structure, the following noteworthy transactions were carried out during 2022:

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

On 31 December 2022, 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 2022 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 2022 totals DKK 5 million (2021: DKK 5 million).

The Board of Directors only receives short-term benefits. Executive Management also receive other remuneration components. Total base salary to the Board of Directors and Executive Management was DKK 6.9 million in 2022 (2021: DKK 6.8 million). Total remuneration to the Board of Directors and Executive Management was DKK 11.1 million in 2022 (2021: DKK 9.7 million).

For the financial year 2022, the Group has published a Remuneration Report, investor.ntg.com, in accordance with the 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)	2022	2021
Base salary	4.9	4.7
Pensions and Benefits	0.5	0.5
Short-term cash incentive	2.2	2.1
Share based payments	1.5	0.3
Executive Management Board total	**9.1**	**7.6**

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)	2022	2021
Fixed annual fee	1.8	1.9
Additional fixed fee	0.2	0.2
Additional ad hoc fee	-	-
Board of Directors	**2.0**	**2.1**

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 consider 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 40 employees held share options or warrants on 31 December 2022 (2021: 23 employees).

230,459 warrants and no share options were open for exercise on 31 December 2022. NTG Nordic Transport Group A/S has the right to settle share-based payment programs in either cash or 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 2022 and 2021 is based on assumptions disclosed in the following table:

Assumptions	2022	2021
Share price	260 to 377	180 to 285
Volatility	22.5%	22.5%
Risk-free interest rate	0.0%	0.0%
Expected dividends	0.0%	0.0%
Expected duration (years)	4.0	4.1

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 year as part of employee benefit expense totaled DKK 6 million (2021: DKK 8 million).

Share options program 2022 and 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
Warrants are granted with a vesting period of one to five years. On the grant date an estimate is performed over the number of shares 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 thus capping the program at DKK 100 million. 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.

Outstanding programs

	Warrants	Share options	Total	Average exercise price per option
Outstanding at 1 January 2021	790,459	-	790,459	163
Granted	-	89,500	89,500	228
Exercised	-140,000	-	-140,000	172
Options waived/expired	-	-4,000	-4,000	163
Outstanding at 31 December 2021	**650,459**	**85,500**	**735,959**	**169**
Outstanding at 1 January 2022	650,459	85,500	735,959	169
Granted	-	127,545	127,545	374
Exercised	-	-	-	0
Options waived/expired	-	-16,750	-16,750	327
Outstanding at 31 December 2022	**650,459**	**196,295**	**846,754**	**197**

Share-based payment programs

Year	Type of program	Options granted	Exercise period	Exercise price	Market value at grant date (DKKm)	Remaining duration (years)
2019	Warrants	146,363	07.10.2022-07.10.2025	89	4	1.3
2019	Warrants	700,000	01.10.2021-30.09.2028	172	12	2.3
2021	Share options	89,500	18.11.2023-18.11.2026	180 to 285	4	2.1
2022	Share options	127,545	05.04.2025-28.03.2028	260 to 377	8	3.3

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.

2022 and 2021 LTIP to Executive Management
Share options awarded under the 2022 LTIP will be granted in 2023. Pursuant to Section 5.8.5 of the Remuneration Policy, the exercise price relevant for establishing the actual number of share options granted for 2022 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 2022. Using an estimated exercise price of DKK 321.2, based on the reference share price (being the average closing price in the last 10 days up to and including 7 March 2023), indicates that an estimated 48,190 options will be granted under the 2022 LTIP. The expected grant date is 23 March 2023 resulting in a 2-year exercise period starting on 23 March 2026. Options expected to be granted under the 2022 LTIP will be recognised from the grant date in 2023 and are not included in the table above. 73,079 share options with an exercise price of DKK 377 were granted in 2022 to Executive Management under the 2021 LTIP.

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)	2022	2021
Present value of pension liabilities at 31 December	155	199
Fair value of plan assets at 31 December	-81	-80
Net value of pension plans at 31 December	74	**119**

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
2022			
Discount rate	4.14%	2.30%	3.14%
Future salary increase	2.00%	2.00%	2.00%
Mortality prognosis table	RT Heubeck 2018 G	BVG 2020 GT	

	Germany	Switzerland	Weighted average
2021			
Discount rate	1.18%	0.35%	0.75%
Future salary increase	2.00%	0.50%	1.21%
Mortality prognosis table	RT Heubeck 2018 G	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)	2022	2021
Present value at 1 January	199	260
Additions through business combinations	-	-
Foreign exchange adjustment	6	6
Contributions to the plan	5	4
Expensed in the income statement	2	2
Calculated interest	2	2
Actuarial loss/(gain) change in demographic assumptions	-	-4
Actuarial loss/(gain) change in financial assumptions	-15	-8
Actuarial loss/(gain) experience adjustments	-23	-13
Benefits paid through pension assets	-21	-44
Settlements during the year	-	-6
Present value at 31 December	**155**	199

Sensitivity analysis on reported pension liabilities

(DKKm)	2022	2021
Discount rate +0,5 %	-6	-9
Discount rate -0,5 %	6	10
Future remuneration +0,5 %	-	-
Future remuneration -0,5 %	-	-1

Defined benefit plans in the Group are only related to Germany and Switzerland. The pension plan in Germany accounts for 95 % 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 2022 the Group has covered 51.6 % of the pension liability.

Fair value of pension plan assets

(DKKm)	2022	2021
Fair value at 1 January	80	110
Additions through business combinations	-	-
Foreign exchange adjustment	5	4
Calculated interest	-	-
Return on plan assets in addition to calculated interest	-1	-2
Contributions to the plan	8	7
Benefits paid through pension assets	-11	-39
Fair value 31 December	**81**	**80**

Specification of plan assets

(DKKm)	2022	2021
Insurance contract	81	80
Cash	-	-
	81	**80**

The expected contributions to the Group's plans for 2023 are DKK 8 million and the expected average duration of the obligations is 9.5 years.

	2022		
(DKKm)	Defined contribution plans	Defined benefit plans	Total
Staff cost	36	2	38
Financial expenses	-	2	2
	36	**4**	**40**

	2021		
(DKKm)	Defined contribution plans	Defined benefit plans	Total
Staff cost	24	2	26
Financial expenses	-	1	1
	24	**3**	**27**

Notes

8.4 Fees to auditors appointed at the Annual general meeting

(DKKm)	2022	2021
Statutory audit	5	5
Tax consultancy	1	-
Other services	-	1
Total fees to auditors appointed at the Annual General Meeting (PwC)	**6**	**6**

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

(DKKm)	2022	2021
Statutory audit	1	1
Others, total fees	**1**	**1**

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 have control. The Group has no related parties with control of the Group.

Management remuneration is disclosed in note 8.1.

The Group had no transactions with related parties in 2022.

(DKKm)	2022	2021
Rent and leasing obtained from related parties	-	-3

The Group had no outstanding balances towards related parties at 31 December 2022.

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 commitments and contingent liabilities at 31 December 2022 of:

Claims

The Group is party to legal proceedings and inquiries from third parties when investigating 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 2022, all liabilities related to bank guarantees amounted to DKK 59 million (2021: DKK 44 million) whereof DKK 46 million (2021: DKK 25 million) is already recognised in the balance sheet.

Pledges

At 31 December 2022, no property, plant and equipment was pledged as security (2021: property, plant and equipment for DKK 4 million was pledged as security).

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	N/A
Subsidiaries		
Nordic Transport Group A/S	Denmark	100.0%
NTG Nordic A/S	Denmark	100.0%
NTG Continent A/S	Denmark	100.0%
NTG East A/S	Denmark	100.0%
NTG Frigo A/S	Denmark	100.0%
NTG Air & Ocean A/S ●●	Denmark	91.5%
NTG Projects A/S ●●	Denmark	60.8%
NTG Terminals I A/S ●●	Denmark	71.0%
NTG Terminals II A/S ●●	Denmark	80.0%
NTG Ocean International A/S ●●	Denmark	85.2%
NTG Courier A/S ●●	Denmark	83.0%
NTG Domestic A/S ●●	Denmark	71.0%
NTG Nielsen & Sørensen A/S ●●	Denmark	70.6%
NTG Frigo East ApS ●●	Denmark	61.0%
Neptun Transport A/S ●●	Denmark	75.0%
LGT Base Aps	Denmark	100.0%
LGT Logistics A/S ●●	Denmark	89.8%
NTG Care A/S ●●	Denmark	100.0%
NTG Continent AB	Sweden	100.0%
NTG East AB	Sweden	100.0%
NTG Solution AB	Sweden	100.0%
NTG Domestics AB ●●	Sweden	71.0%
NTG Borås AB	Sweden	100.0%
NTG Road Sweden AB	Sweden	100.0%
NTG Växjö AB ●●	Sweden	79.6%
NTG Turkey AB	Sweden	100.0%
NTG Air & Ocean AB ●●	Sweden	75.0%
NTG Ebrex Sweden AB	Sweden	100.0%
NTG Cargorange AB	Sweden	100.0%
LGT Group AB	Sweden	100.0%
LGT Mid AB (publ)	Sweden	100.0%
LGT Base AB	Sweden	100.0%
LGI Logistics Intressenter AB	Sweden	100.0%
LGT Logistics AB ●●	Sweden	92.7%
NTG Logistics AB ●●	Sweden	77.5%
NTG Continent Escrow Holding AB ●●	Sweden	73.9%
NTG Air & Ocean GmbH	Germany	100.0%
NTG FTS GmbH	Germany	74.2%
NTG Road GmbH	Germany	100.0%
NTG Multimodal GmbH	Germany	100.0%
NTG Ebrex GmbH	Germany	100.0%
NTG Packaging Solutions GmbH	Germany	100.0%
S.A. Trucking GmbH	Germany	89.8%
NTG Road Oy ●●	Finland	91.1%
NTG Air & Ocean Oy ●●	Finland	70.2%
LGT Logistics Oy	Finland	100.0%
NTG Eood	Bulgaria	100.0%
NTG Continent Eood	Bulgaria	100.0%
NTG Holding AG	Switzerland	100.0%
Gondrand International AG	Switzerland	100.0%
NTG Gondrand Customs AG	Switzerland	100.0%
NTG Road AG	Switzerland	100.0%
NTG Air & Ocean AG	Switzerland	100.0%
NTG Air & Ocean (Shanghai) Limited	China	100.0%
NTG Air & Ocean (Shenzhen) Limited	China	100.0%
NTG Air & Ocean s.r.o.	Czech Republic	74.0%
NTG Transport Oü ●●	Estonia	75.8%
NTG Air & Ocean Oü	Estonia	85.0%
NTG Ebrex Spain S.L.	Spain	100.0%
Go Trans SAS	France	100.0%
NTG Air & Ocean (Hong Kong) Limited	Hong Kong	100.0%
Neptune Logistics (Worldwide) Limited	Hong Kong	100.0%

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

8.8 Group structure – continued

Name of entity	Place of business / Country of incorporation	Ownership % by the ultimate parent company
Go Speed Limited (Hong-Kong)	Hong Kong	100.0%
Golden Ocean Line limited	Hong Kong	100.0%
NTG Gondrand Kft.	Hungary	100.0%
NTG Transport SRL	Italy	100.0%
NTG Air & Ocean Japan Inc. 🔵🟢	Japan	85.0%
NTG Lithuania UAB 🔵🟢	Lithuania	53.0%
NTG Logistics LT UAB	Lithuania	53.0%
NTG Latvia Sia 🟢	Latvia	70.0%
NTG Logistics B.V. 🔵🟢	Netherlands	86.0%
NTG Air & Ocean Netherlands B.V. 🔵🟢	Netherlands	79.2%
NTG Road B.V. 🔵🟢	Netherlands	74.0%
Ebrex Packaging Solutions B.V.	Netherlands	100.0%
NTG Road Norway AS 🔵🟢	Norway	83.0%
NTG Air & Ocean AS 🔵🟢	Norway	90.0%
NTG Road Sp. z o.o. 🔵🟢	Poland	80.9%
NTG Air & Ocean Sp. z o.o. 🔵🟢	Poland	55.0%
NTG Ebrex Polska Sp. z o.o.	Poland	100.0%
NTG Ebrex Transport Sp. z o.o.	Poland	100.0%
NTG Ebrex Logistics Sp. z o.o.	Poland	100.0%
NTG Logistics Sp. z o.o.	Poland	100.0%
NTG Services s.r.o	Slovakia	85.0%
NTG Uluslararasi Lojistik Ltd. 🔵🟢	Turkey	60.0%

Name of entity	Place of business / Country of incorporation	Ownership % by the ultimate parent company
NTG Air & Ocean Turkey	Turkey	100.0%
Ebrex Logistics Tasimacilik ve	Turkey	100.0%
LLC Nordic Transport Group Ukraine	Ukraine	100.0%
NTG Road UK Limited 🔵🟢	United Kingdom	80.5%
NTG (UK Holding) Limited	United Kingdom	100.0%
NTG Air & Ocean (UK) LTD	United Kingdom	100.0%
Ebrex Business Solutions Limited	United Kingdom	100.0%
Ebrex UK LTD	United Kingdom	100.0%
Chad Holding	United Kingdom	100.0%
Twente Express Limited	United Kingdom	100.0%
NTG Air & Ocean USA, Inc. 🔵🟢	Unites States	99.5%
NTG Air & Ocean DTW LLC	United States	100.0%
Aries Global Logistics, LLC.	United States	99.5%
NTG Holding USA, Inc.	United States	100.0%
NTG Air & Ocean Vietnam Limited	Vietnam	51.0%

Associates

ATS Air Transport Service AG	Switzerland	26.0%

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 2022 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 Reports

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 NTG Nordic Transport Group A/S for the financial year 1 January - 31 December 2022.

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 2022 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 2022.

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 NTG Nordic Transport Group A/S for the financial year 1 January to 31 December 2022 with the file name NTG-2022-12-31-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, 8 March 2023

Executive Board

Michael Larsen
Group CEO

Christian D. Jakobsen
Group CFO

Board of Directors

Eivind Kolding
Chairman

Jørgen Hansen
Deputy chairman

Finn Skovbo Pedersen

Carsten Krogsgaard Thomsen

Jesper Præstensgaard

Karen-Marie Katholm

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 2022 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2022 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 2022 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2022 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 (pp. 45-78) and the Parent Company Financial Statements (pp. 86-93) of NTG Nordic Transport Group A/S for the financial year 1 January to 31 December 2022 comprise income statement, balance sheet, statement of changes in equity and notes, including summary of significant accounting policies for the Group as well as for the Parent Company and statement of comprehensive income and cash flow statement for the Group. 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 3 years including the financial year 2022.

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 2022. 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

Accrued revenue 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 at year-end, accrued revenue and accrued cost of services exist which involve significant accounting estimates and which are complex by nature, i.e. accrual of income (accrued revenue) and related costs (accrued cost of services), including methods and data applied and assumptions determined by Management.

The process of accruing for services rendered around the balance sheet date is, therefore, complex and dependent on certain operational IT systems and relevant IT controls. Moreover, in the Air & Ocean division, an inherent risk exists regarding estimates for recognising revenue in the right period at year end due to the services being rendered over a lengthier period of time.

In addition, we focused on this area because of the significance of revenue and as revenue comprises a substantial number of transactions, with different characteristics depending on which business segment the revenue relates to.

Reference is made to notes 2.1 and 2.2 to the Consolidated Financial Statements.

How our audit addressed the key audit matter
We performed risk assessment procedures in order to obtain an understanding of IT systems, business processes and relevant controls regarding revenue and accrued costs. For the controls, we assessed whether they were designed and implemented to effectively address the risk of material misstatement.

Our audit procedures included considering the appropriateness of the accounting policies for revenue recognition applied by Management and assessing compliance with IFRS.

For accrued revenue and accrued cost of services, we examined reports concerning services in progress and challenged the assumptions made by Management in this regard.

We selected a sample of transactions at year-end and traced these to underlying evidence to determine whether revenue and the related costs are recognised in the right period.

We also performed look back procedures to evaluate the precision in the estimates made in prior periods.

Key audit matter

Business combinations
Acquisitions are complex transactions, which are subject to significant estimates, including the identification and valuation of assets, liabilities, and contingent consideration etc. In order to determine the fair value of the separately identified assets and liabilities in a business combination, the valuation methodologies require input based on assumptions about the future and applied discounted cash flow forecasts, including market development and discount rate.

We focused on this area because of the significance to the Financial Statements, the inherent complexity and high degree of estimation in the accounting for acquisitions, as well as the potential inherent risk related to the control environment. Our main focus of the area was on the acquisitions of Aries Global Logistics.

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 appropriateness of the accounting policies for business combinations applied by Management and assessing compliance with IFRS.

Through random sampling, we verified the opening balance sheets of the acquired businesses.

We assessed the valuation methodologies and discount rate applied by Management and the valuation of fair value of the purchase consideration, acquired assets and liabilities.

We challenged Management's significant assumptions used to determine the fair value of the acquired assets and liabilities in the acquisitions, including the fair value of the intangible assets.

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

Statement on Management's Review

Management is responsible for Management's Review (pp. 2-44 and p. 79).

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.

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 2022 with the filename NTG-2022-12-31-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 including notes.

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 including notes;
- 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 2022 with the file name NTG-2022-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Hellerup, 8 March 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no 33 77 12 31

Flemming Eghoff State Authorised Public Accountant mne30221	Jacob Brinch State Authorised Public Accountant mne35447

Parent Company financial statements

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

Income Statement

(DKKm)	Note	2022	2021
Net revenue	1	105	81
Other external expenses		-61	-45
Gross profit		**44**	**36**
Staff costs	2	-65	-56
Operating profit		**-21**	**-20**
Impairment of financial assets	5	-6	-
Financial income	3	341	181
Financial costs	3	-25	-26
Profit before tax		**289**	**135**
Tax on profit for the year	4	4	5
Profit for the year		**293**	**140**
Proposed distribution of result			
Transferred to equity reserves	6	293	140
Total distribution		**293**	**140**

Balance Sheet

(DKKm)	Note	2022	2021
Assets			
Investments in subsidiaries	5	2,293	2,318
Receivables from Group companies, long-term	7	238	258
Other receivables	7	15	-
Deferred tax assets	8	14	22
Total non-current assets		**2,560**	**2,598**
Receivables from Group companies		717	224
Corporation tax, receivable		4	5
Other receivables		4	5
Total current assets		**725**	**234**
Total assets		**3,285**	**2,832**

(DKKm)	Note	2022	2021
Equity and Liabilities			
Share capital	9	453	453
Retained earnings		1,793	1,555
Total equity		**2,246**	**2,008**
Payables to Group companies	10	-	31
Financial liabilities	11	278	100
Total non-current liabilities		**278**	**131**
Credit institutions		28	110
Financial liabilities		6	-
Trade payables		12	11
Payables to Group companies	10	690	558
Other payables		25	14
Total current liabilities		**761**	**693**
Total liabilities		**1,039**	**824**
Total equity and liabilities		**3,285**	**2,832**

Statement of Changes in Equity

(DKKm)	Share capital	Retained earnings	**Total equity**
2022			
Equity at 1 January	**453**	**1,555**	**2,008**
Profit for the year	-	293	293
Share-based payments	-	6	6
Tax on share-based payments	-	-12	-12
Purchase of treasury shares	-	-104	-104
Sale of treasury shares	-	55	55
Equity at 31 December	**453**	**1,793**	**2,246**

(DKKm)	Share capital	Retained earnings	**Total equity**
2021			
Equity at 1 January	**453**	**1,504**	**1,957**
Profit for the year	-	140	140
Share-based payments	-	-40	-40
Tax on share-based payments	-	28	28
Purchase of treasury shares	-	-113	-113
Sale of treasury shares	-	36	36
Equity at 31 December	**453**	**1,555**	**2,008**

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 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class D .

The Company's Financial Statements for 2022 are presented in DKK million and rounded to the nearest million.

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 Parent 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 been impaired, 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

Notes

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.

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 recognised in the income statement over the term of the loan.

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

1. Revenue

(DKKm)	2022	2021
Service revenue	105	81
Total	**105**	**81**

2. Staff costs

(DKKm)	2022	2021
Wages and salaries	55	46
Pensions	1	1
Share-based payments	6	7
Other social security costs and other staff costs	3	2
Total	**65**	**56**
Average number of full time employees	62	51
Full time employees at 31 December	71	61

(DKKm)	2022	2021
Hereoff:		
Remuneration to the Board of Directors	2.0	2.1
Remuneration to the Executive Management	7.6	7.3
Share-based payment, Executive Management	1.5	0.3
Executive Management remuneration total	**11.1**	**9.7**

3. Financial income and costs

(DKKm)	2022	2021
Interest received from Group companies	22	9
Exchange differences	30	-
Other financial income	4	-
Dividends received from Group companies	285	172
Total financial income	**341**	**181**
Interest paid to Group companies	6	4
Exchange differences	-	2
Other financial costs	19	20
Total financial costs	**25**	**26**
Net financials	**316**	**155**

4. Tax

(DKKm)	2022	2021
Tax for the year can be broken down as follows:		
Current tax	-	1
Adjustment of deferred tax	3	4
Adjustment of tax from prior periods	1	-
Total	**4**	**5**

Notes

5. Investments in subsidiaries

(DKKm)	2022	2021
Cost at 1 January	2,381	2,139
Additions	1	242
Disposals (dividends)	-20	-
Cost at 31 December	**2,362**	**2,381**
Impairment at 1 January	-63	-63
Impairment recognised during the year	-6	-
Impairment at 31 December	**-69**	**-63**
Carrying amount at 31 December	**2,293**	**2,318**

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 306 million was received (2021: DKK 172 million). DKK 20 million (2021: DKK 0 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)	2022	2021
Retained earnings	293	140
Total	**293**	**140**

7. Receivables from Group companies and other receivables

(DKKm)	2022	2021
Cost at 1 January	258	-
Additions	49	258
Disposal	-41	-
Currency translation	-13	-
Cost at 31 December	**253**	**258**
Impairment at 1 January	-	-
Impairment at 31 December	-	-
Carrying amount at 31 December	**253**	**258**

8. Deferred tax assets

(DKKm)	2022	2021
Deferred tax assets at 1 January	22	-
Deferred tax for the year	3	4
Tax on changes in equity	-12	18
Other adjustments	1	-
Deferred tax assets at 31 December	**14**	**22**

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)	2022	2021
Due in 1 year	690	558
Due between 1 and 5 years	-	31
Total	**690**	**589**

11. Financial liabilities

(DKKm)	2022	2021
Due in 1 year	6	-
Due between 1 and 5 years	278	100
Total	**284**	**100**

Notes

12. Contingent liabilities, other financial obligations and contingent assets

(DKKm)	2022	2021
Future lease payments on operating leases:		
Within 1 year	17	17
Between 1 and 5 years	70	69
After 5 years	109	127
Total	**196**	**213**

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 2022, the Company has issued parent company guarantees to subsidiaries for a total of DKK 46 million (2021: DKK 60 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 Company has non-recognised tax loss carry forwards of DKK 1,709 million at year end. At 31 December 2022 the non-recognised deferred tax assets associated with the tax loss carry forwards totalled DKK 376 million (2021: 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)	2022	2021
Fees to the company's appointed auditor, PwC:		
Statutory audit	1	1
Tax consultancy	1	-
Other services	-	1
Total	**2**	**2**

15. Events after the balance sheet date

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

NTG Nordic Transport Group A/S
Hammerholmen 47
DK-2650 Hvidovre
Denmark

Phone: +45 7634 0900
www.ntg.com

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