

Consolidated Interim Report Q3 2021 – NTG Nordic Transport Group A/S



Q3 2021 highlights

- Imbalances and disruptions continued to impact global supply chains in Q3 2021.
- Total growth in net revenue of 37.2%, hereof organic growth of 24.8%.
- Operating margin of 7.6% in Q3 2021 vs. 5.7% in Q3 2020.
- Acquisition of LGT Group completed on 1 September 2021.
- 2021 guidance updated: Net revenue of DKK 7,000-7,300 (previously 6,700 - 7,000) million and adj. EBIT of DKK 520-550 (previously 490 - 520) million.

Selected financial information

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

(DKKm)	Q3 2021	Q3 2020	Change	YTD 2021	YTD 2020	Change
Net revenue	1,869.5	1,362.2	37.2%	5,130.2	3,906.8	31.3%
Gross profit	398.6	317.7	25.5%	1,102.5	888.6	24.1%
Adj. EBIT	142.6	77.6	83.8%	381.5	178.7	113.5%
Profit for the period	109.8	48.0	128.8%	279.3	95.3	193.1%
Gross margin	21.3%	23.3%	-2.0 p.p.	21.5%	22.7%	-1.2 p.p.
Operating margin	7.6%	5.7%	1.9 p.p.	7.4%	4.6%	2.8 p.p.
Conversion ratio	35.8%	24.4%	11.4 p.p.	34.6%	20.1%	14.5 p.p.

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Forward looking statement

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

It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a wide range of variables, which could cause actual results to differ materially from those currently anticipated. For a description of significant risks and uncertainties identified by the Group, reference is made to the 2020 Annual Report. Any subsequent developments are reflected in this report.

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Financial Highlights

Income statement (DKKm)	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Net revenue	1,869.5	1,362.2	5,130.2	3,906.8
Gross profit	398.6	317.7	1,102.5	888.6
Operating profit before amortisation, depreciation, and special items (adj. EBITDA)	187.3	120.3	484.0	304.6
Operating profit before special items (adj. EBIT)	142.6	77.6	381.5	178.7
Special items, net	0.0	0.0	-4.2	-4.5
Net financial items	-11.9	-12.7	-36.9	-34.6
Profit for the period	109.8	48.0	279.3	95.3
Earnings per share (DKK) for the period	4.47	2.14	11.30	4.25
Earnings per share (DKK) last 12 months			13.29	1.39

Cash flow statement (DKKm)	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Operating activities	119.3	70.3	298.7	324.8
Investing activities	-63.2	3.7	-161.6	-97.2
Free cash flow	56.1	74.0	137.1	227.6
Adjusted free cash flow	75.8	36.4	176.8	224.2
Financing activities	-181.9	-65.0	-293.9	-186.9
Cash flow for the period	-125.8	9.0	-156.8	40.7

Reference is made to NTG's 2020 Annual Report, page 85, for definition of key figures and ratios.
* Ratio is based on last 12 months' figures.

Balance sheet (DKKm)	30/09-2021	30/09-2020
Additions to property, plant, and equipment (excluding IFRS 16)	4.7	2.3
Balance sheet total	3,285.7	2,266.1
Net working capital	-138.9	-176.0
Net interest-bearing debt	798.1	431.7
Net interest-bearing debt, excluding IFRS 16	40.6	-173.4
Invested capital	1,376.2	770.2
NTG A/S' shareholders' share of equity	552.8	307.3
Non-controlling interests	68.4	46.7

Financial ratios	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Gross margin	21.3%	23.3%	21.5%	22.7%
Operating margin	7.6%	5.7%	7.4%	4.6%
Conversion ratio	35.8%	24.4%	34.6%	20.1%
ROIC before tax*			43.2%	32.4%
Return on equity*			95.1%	81.8%
Solvency ratio			18.9%	15.6%
Leverage ratio*			1.31	1.07

Employees	YTD 2021	YTD 2020
Average number of employees	1,528	1,480

Management Report

Global supply chains continued in a state of flux in the third quarter of 2021.

International ocean and port operators continued at full utilisation, the inflow of air freight capacity remained insufficient to curb increasing demand, and prevailing truck driver shortages all contributed to supply chain disruptions.

The combination of high activity and imbalances left market participants scrambling for capacity and solutions to overcome these challenges.

The ability to navigate complexity and mitigate effects from disrupted global supply chains were key in handling the situation.

As reflected in the recent elevation of logistics on corporate strategic agendas, the need and requirements for logistics partners have reached new heights.

By means of a transparent and flexible approach, the endeavours of NTG's employees to find solutions for customers were the main drivers of the financial results in Q3 2021.

The results reflect the ability of NTG to assist customers in navigating market turbulence, volatility, and complexity.

Net revenue in Q3 2021 increased 37.2% compared to Q3 2020, to DKK 1,869.5 million.

Acquired growth was 12.2% driven by the acquisitions of Saga Trans and TB International, completed in Q4 2020, and Cargorange, Twente Express, Neptun Transport, and LGT Group, completed in 2021.

Organic growth including start-ups totalled 24.8% in Q3 2021 compared to the same period last year. Organic growth was mainly driven by price increases reflecting increased costs and, to a lesser extent, volumes in both divisions surpassing those of last year.

FX effects had a positive effect on growth of 0.2% during Q3 2021.

Gross profit increased 25.5% to DKK 398.6 million in Q3 2021 compared to DKK 317.7 million in Q3 2020, corresponding to a gross margin of 21.3% and 23.3%, respectively.

The gross margin development was primarily driven by the Air & Ocean division where increasing pass-through revenue, caused by the elevated freight rates, reduced gross margins during the quarter.

Adj. EBIT increased 83.8% to DKK 142.6 million in Q3 2021 compared to DKK 77.6 million in Q3 2020.

The operating margin was 7.6% for Q3 2021, compared to 5.7% in the same period last year.

The development was supported by NTG's scalable operating model, providing the ability to keep fixed cost increases on low, single-digit levels, whereas gross profit increased by double-digit rates during the quarter.

Acquisitions and effects of activities discontinued in 2020 added to the conversion ratio increase in Q3 2021.

Adj. EBIT in the Road & Logistics division increased 44.8% to DKK 106.7 million in Q3 2021 compared to Q3 2020.

Adj. EBIT in the Air & Ocean division increased 875.7% to DKK 36.1 million in Q3 2021 compared to Q3 2020.

Minorities' share of adj. EBIT was 7.2% in Q3 2021 compared to 11.9% in Q3 2020.

Net working capital was negative DKK 138.9 million as of 30 September 2021 compared to negative DKK 176.0 million as of 30 September 2020. The development was mainly due to growth in the Air & Ocean division and the effects of acquisitions.

Adjusted free cash flow totalled DKK 75.8 million in Q3 2021 compared to DKK 36.4 million in Q3 2020. The development was driven by improved operating performance during the quarter.

As of 30 September 2021, NTG had a net interest-bearing debt of DKK 40.6 million excluding IFRS 16.



Management Report, continued

Update on recent acquisitions

Following regulatory clearances by the relevant competition authorities, the acquisition of 100% of the shares in the furniture logistics specialist LGT Group was completed on 1 September 2021.

From this point forward, LGT Group was included in the consolidated financial statements of NTG.

NTG expects to achieve annual synergies of approximately DKK 10 million following completion of the integration of LGT Group, related to volumes redirected to NTG's existing network, procurement synergies, and IT standardisation initiatives.

The synergies are expected to have full effect from 1 January 2023.

No integration costs have been charged under special items in Q3 2021.

The acquisitions of Saga Trans, TB International, Cargorange, Twente Express, Neptun Transport, and LGT Group contributed with DKK 166.8 million in net revenue and DKK 13.8 million in adj. EBIT in the third quarter of 2021.

Outlook

Activity remained high in Q3 2021, and the combination of initiatives to safeguard capacities, increasing spot prices, and a scalable operating model resulted in financial performance above expectations in both divisions.

Based on the preliminary financial results for October 2021, momentum is set to continue for the rest of the year, and we hereby update the full-year outlook for 2021 as follows:

- Revenue of approximately DKK 7,000-7,300 million (previously DKK 6,700 - 7,000 million)
- Adj. EBIT of approximately DKK 520-550 million (previously DKK 490 - 520 million)

The updated full-year outlook for 2021 assumes that activity in the transport markets will remain high and current market imbalances will continue for the rest of the year.



Road & Logistics

Activity in the Road & Logistics division remained strong in the third quarter of 2021 despite accelerating divergence between supply and demand across European road markets.

A combination of economic recovery, transnational labour shortages, and changes to the political environments affecting the transportation industry increased market imbalances.

All markets continued to be strong throughout the quarter albeit global chip shortages had an adverse impact on certain verticals.

Focus on securing capacity in the short- to medium term intensified during the quarter, and capacity surcharges were introduced to safeguard existing capacities and customer relationships.

Procuring additional capacity will be pivotal in the coming months, and it remains a key focus area.

Net revenue

Net revenue for the division totalled DKK 1,391.9 million in Q3 2021 compared to DKK 1,125.6 million in Q3 2020.

Total growth was 23.6%, composed of organic growth of 8.7%, effects from acquisitions of 14.8%, and currency translation effects of 0.1%.

The increase in revenue was driven by the introduction of capacity surcharges in the second and third quarter of 2021, increasing spot rates, and increasing volumes compared to Q3 2020 (in total +9.4 percentage point contribution to organic growth).

Selected quarterly financial information

(DKKm)	Q3 2020	Organic	%	Acquisitions	%	Currency	%	Q3 2021	%
Net external revenue	1,125.6	98.1	8.7%	166.8	14.8%	1.4	0.1%	1,391.9	23.6%
Gross profit	256.8	12.5	4.9%	41.6	16.2%	0.8	0.3%	311.7	21.4%
Adj. EBIT	73.7	18.7	25.4%	13.8	18.7%	0.5	0.7%	106.7	44.8%
Gross margin	22.8 %							22.4 %	-0.4 p.p.
Operating margin	6.5 %							7.7 %	1.2 p.p.
Conversion ratio	28.7 %							34.2 %	5.5 p.p.



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Road & Logistics, continued

The effects of closed-down activities in primarily Switzerland and Sweden reduced organic growth by 0.7 percentage point during the quarter.

Gross profit

Gross profit increased 21.4% to DKK 311.7 million in Q3 2021, compared to DKK 256.8 million in Q3 2020, corresponding to a gross margin of 22.4% and 22.8%, respectively.

The decrease was mainly driven by increasing cost of procuring capacity, though the acquisition of LGT Group and capacity surcharges introduced in the second and third quarter of the year had a partially offsetting effect.

Operating profit before special items (adj. EBIT)

Adj. EBIT for Q3 2021 totalled DKK 106.7 million, an increase of DKK 33.0 million compared to Q3 2020.

The operating margin was 7.7% for Q3 2021 compared to 6.5% in the same period last year.

The development was driven by a conversion ratio increase of 5.5 percentage point to 34.2% which more than offset the gross margin development.

The conversion ratio improvement was a result of increased efficiency and scalability of fixed costs in the division which, on an organic basis, resulted in gross profit growth significantly above growth in fixed costs during the quarter.

Effects of activities discontinued in 2020 and acquisitions completed during the last twelve months added to the conversion ratio increase in Q3 2021.

Selected YTD financial information

(DKKm)	YTD 2020	Organic	%	Acquisitions	%	Currency	%	YTD 2021	%
Net external revenue	3,168.6	354.5	11.2%	371.1	11.7%	1.8	0.1%	3,896.0	23.0%
Gross profit	701.5	64.7	9.2%	93.5	13.3%	1.7	0.3%	861.4	22.8%
Adj. EBIT	172.8	96.8	56.0%	29.2	17.0%	1.8	1.0%	300.6	74.0%
Gross margin	22.1%							22.1%	0.0 p.p.
Operating margin	5.5%							7.7%	2.2 p.p.
Conversion ratio	24.6%							34.9%	10.3 p.p.

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Air & Ocean

The air and ocean markets were characterised by disruptions and continued unpredictability in the third quarter of 2021.

In ocean freight, increasing demand, port congestions, equipment shortages, and port- and inland logistics challenges continued to expand backlogs, postponing freight rate normalisations.

In air freight, available capacity was positively impacted by increasing activity. Though widebody belly capacities also increased on certain passenger flights, the absent recovery of long-haul flights kept total belly capacities below pre-pandemic levels.

Normalisation of air freight rates was hampered in the third quarter of the year, as the inflow of additional capacity was insufficient to counterbalance increasing demand.

With the peak season coming up, the air and ocean markets are not expected to ease notably for the remainder of the year.

Net revenue

Net revenue for the division totalled DKK 477.1 million in Q3 2021 compared to DKK 236.3 million in Q3 2020.

Total growth was 101.9%, composed of organic growth of 101.4% and currency translation effects of 0.5%.

Organic growth was mainly driven by freight rates significantly above the same period last year and, secondly, by increasing volumes (in total +106.2 percentage point contribution to organic growth).

Organic growth was particularly strong in Germany and the US.

The close-down of certain activities in 2020 had an offsetting impact on organic growth during the quarter

Selected quarterly financial information

(DKKm)	Q3 2020	Organic	%	Acquisitions	%	Currency	%	Q3 2021	%
Net external revenue	236.3	239.5	101.4%	0.0	0.0%	1.3	0.5%	477.1	101.9%
Gross profit	61.2	25.5	41.7%	0.0	0.0%	0.0	0.0%	86.7	41.7%
Adj. EBIT	3.7	32.4	875.7%	0.0	0.0%	0.0	0.0%	36.1	875.7%
Gross margin	25.9%							18.2%	-7.7 p.p.
Operating margin	1.6%							7.6%	6.0 p.p.
Conversion ratio	6.0%							41.6%	35.6 p.p.

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Air & Ocean, continued

(in total -4.8 percentage point contribution to organic growth).

Gross profit

Gross profit increased 41.7% to DKK 86.7 million in Q3 2021, compared to DKK 61.2 million in Q3 2020, corresponding to a gross margin of 18.2% and 25.9%, respectively.

Elevated freight rates resulted in increasing pass-through revenue in Q3 2021, which drove gross margins lower compared to the same period last year.

Operating profit before special items (adj. EBIT)

Adj. EBIT for Q3 2021 totalled DKK 36.1 million, an increase of DKK 32.4 million compared to Q3 2020.

The operating margin was 7.6% for Q3 2021, compared to 1.6% in the same period last year.

The operating margin development was driven by a conversion ratio increase of 35.6 percentage point to 41.6%.

Increased efficiency, cost discipline, and the restructuring activities finalised in 2020 contributed to the conversion ratio improvement.

Selected YTD financial information

(DKKm)	YTD 2020	Organic	%	Acquisitions	%	Currency	%	YTD 2021	%
Net external revenue	737.7	509.0	69.0%	0.0	0.0%	-13.1	-1.8%	1,233.6	67.2%
Gross profit	187.1	56.9	30.4%	0.0	0.0%	-3.0	-1.6%	241.0	28.8%
Adj. EBIT	5.6	75.2	1,342.9%	0.0	0.0%	-0.3	-5.4%	80.5	1,337.5%
Gross margin	25.4%							19.5%	-5.9 p.p.
Operating margin	0.8%							6.5%	5.7 p.p.
Conversion ratio	3.0%							33.4%	30.4 p.p.

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Interim Financial Statements

INCOME STATEMENT

(DKK)m	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Net revenue	1,869.5	1,362.2	5,130.2	3,906.8
Direct costs	-1,470.9	-1,044.5	-4,027.7	-3,018.2
Gross profit	398.6	317.7	1,102.5	888.6
Other external expenses	-47.7	-56.4	-149.4	-154.6
Staff costs	-163.6	-141.0	-469.1	-429.4
Operating profit before amortisation, depreciation, and special items (adj. EBITDA)	187.3	120.3	484.0	304.6
Amortisation and depreciation of intangible and tangible fixed assets	-44.7	-42.7	-102.5	-125.9
Operating profit before special items (adj. EBIT)	142.6	77.6	381.5	178.7
Special items, net	0.0	0.0	-4.2	-4.5
Financial income	0.9	0.3	2.0	2.2
Financial costs, other	-12.8	-13.0	-38.9	-36.8
Profit before tax	130.7	64.9	340.4	139.6
Tax on profit for the period	-20.9	-16.9	-61.1	-44.3
Profit for the period	109.8	48.0	279.3	95.3
Attributable to:				
Shareholders in NTG A/S	99.8	42.9	252.6	81.1
Non-controlling interests	10.0	5.1	26.7	14.2
Earnings per share				
Earnings per share (DKK)	4.47	2.14	11.30	4.25
Diluted earnings per share (DKK) for the period	4.36	2.14	11.06	4.25

STATEMENT OF OTHER COMPREHENSIVE INCOME

(DKK)m	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Profit for the period	109.8	48.0	279.3	95.3
<i>Items that may be reclassified to the income statement:</i>				
Foreign exchange adjustments of subsidiaries	-3.1	1.7	1.8	1.0
<i>Items will not be reclassified to the income statement:</i>				
Actuarial adjustments on retirement benefit obligations	3.3	-7.1	9.5	-2.4
Tax relating to items that will not be reclassified	0.0	0.0	0.0	0.0
Other comprehensive income	0.2	-5.4	11.3	-1.4
Total comprehensive income	110.0	42.6	290.6	93.9
Attributable to:				
Shareholders in NTG A/S	100.7	37.7	263.8	79.9
Non-controlling interests	9.3	4.9	26.8	14.0

CASH FLOW STATEMENT

(DKK m)	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Operating profit before special items	142.6	77.6	381.5	178.7
Amortisation and depreciation etc.	44.7	42.7	100.6	125.9
Share-based payments	1.7	0.2	5.8	0.5
Change in working capital etc.	-44.0	-26.6	-114.0	67.5
Change in provisions	-5.0	-3.8	-6.2	8.6
Financial income received	0.9	0.3	2.0	2.2
Interest paid on leasing contracts	-7.5	-7.7	-21.9	-23.4
Other financial expenses paid	-5.3	-5.3	-17.0	-13.4
Corporation taxes paid	-8.8	-7.1	-27.9	-17.3
Special items	0.0	0.0	-4.2	-4.5
Cash flow from operating activities	119.3	70.3	298.7	324.8
Purchase of intangible assets	0.0	0.0	0.0	0.0
Purchase of property, plant, and equipment	-0.8	-0.3	-4.7	-2.3
Disposal of tangible assets	0.0	0.2	1.9	0.6
Acquisition of business activities	-62.3	0.0	-152.0	-102.8
Changes in other financial assets	-0.1	3.8	-6.8	7.3
Cash flow from investing activities	-63.2	3.7	-161.6	-97.2
Free cash flow	56.1	74.0	137.1	227.6

CASH FLOW STATEMENT, continued

(DKK m)	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Repayment of loans	-191.7	0.0	-191.7	0.0
Proceeds from loans	100.0	0.0	100.0	0.0
Repayment of lease liabilities	-42.6	-37.6	-116.5	-110.7
Repayments of other financial liabilities	-12.9	-11.4	-17.5	-37.9
<i>Shareholders and non-controlling interests</i>				
Purchase of treasury shares	0.0	-10.9	-21.0	-23.8
Dividends paid to non-controlling interests	-3.1	-5.6	-15.4	-14.7
Acquisition of shares from non-controlling	-31.8	0.0	-32.4	-1.2
Disposal of shares to non-controlling interests	0.2	0.5	0.6	1.4
Cash flow from financing activities	-181.9	-65.0	-293.9	-186.9
Cash flow for the period	-125.8	9.0	-156.8	40.7
Cash and cash equivalents at beginning of period	208.2	210.3	235.9	180.2
Cash flow for the period	-125.8	9.0	-156.8	40.7
Currency translation adjustments	-1.8	2.1	1.5	0.5
Cash and cash equivalents at 30 September*	80.6	221.4	80.6	221.4
Statement of adjusted free cash flow				
Free cash flow	56.1	74.0	137.1	227.6
Special items	0.0	0.0	4.2	4.5
Acquisition of business activities	62.3	0.0	152.0	102.8
Repayment of lease liabilities reversed	-42.6	-37.6	-116.5	-110.7
Adjusted free cash flow	75.8	36.4	176.8	224.2

* Cash and cash equivalents are presented in the balance sheet less bank overdrafts of DKK 167.4 million (2020: DKK 0 million)

BALANCE SHEET, assets

(DKKm)	30/09-2021	31/12-2020	30/09-2020
Intangible assets	858.6	507.1	464.1
Property, plant, and equipment	81.4	91.3	91.2
Right-of-use assets	716.4	553.7	544.7
Other receivables	26.7	11.2	11.4
Deferred tax assets	19.0	10.0	7.3
Total non-current assets	1,702.1	1,173.3	1,118.7
Trade receivables	1,219.1	827.6	843.1
Other receivables	111.7	90.8	81.1
Cash and cash equivalents	248.0	235.9	221.4
Corporation tax	4.8	0.6	1.8
Total current assets	1,583.6	1,154.9	1,147.4
Total assets	3,285.7	2,328.2	2,266.1

BALANCE SHEET, equity and liabilities

(DKKm)	30/09-2021	31/12-2020	30/09-2020
Share capital	453.0	453.0	453.0
Reserves	99.8	-120.7	-145.7
NTG Nordic Transport Group A/S shareholders' share of equity	552.8	332.3	307.3
Non-controlling interests	68.4	60.7	46.7
Total equity	621.2	393.0	354.0
Deferred tax liabilities	2.6	1.8	3.2
Pensions and similar obligations	138.3	149.8	153.2
Provisions	3.0	0.2	0.6
Financial liabilities	106.4	18.2	19.3
Lease liabilities	602.5	484.2	474.1
Total non-current liabilities	852.8	654.2	650.4
Provisions	55.8	62.0	61.0
Financial liabilities	182.2	21.5	28.6
Lease liabilities	155.0	132.4	131.1
Trade payables	1,116.9	854.9	815.8
Other payables	241.1	194.5	188.8
Corporation tax	60.7	15.7	36.4
Total current liabilities	1,811.7	1,281.0	1,261.7
Total liabilities	2,664.5	1,935.2	1,912.1
Total equity and liabilities	3,285.7	2,328.2	2,266.1

STATEMENT OF CHANGES IN EQUITY – 1 January – 30 September 2021

(DKK)m	Share capital	Share premium	Treasury share reserve	Translation reserve	Retained earnings	NTG A/S shareholder's share of equity	Non-controlling interests	Total equity
Equity at 1 January	453.0	0.0	-4.4	-5.8	-110.5	332.3	60.7	393.0
Profit for the period	0.0	0.0	0.0	0.0	252.6	252.6	26.7	279.3
Net exchange differences recognised in OCI	0.0	0.0	0.0	1.7	0.0	1.7	0.1	1.8
Actuarial gains/(losses)	0.0	0.0	0.0	0.0	9.5	9.5	0.0	9.5
Other comprehensive income, net of tax	0.0	0.0	0.0	1.7	9.5	11.2	0.1	11.3
Total comprehensive income for the period	0.0	0.0	0.0	1.7	262.1	263.8	26.8	290.6
<i>Transactions with shareholders:</i>								
Share-based payments	0.0	0.0	0.0	0.0	5.8	5.8	0.0	5.8
Dividends distributed	0.0	0.0	0.0	0.0	0.0	0.0	-15.4	-15.4
Purchase of treasury shares	0.0	0.0	-1.8	0.0	-19.2	-21.0	0.0	-21.0
Acquisition of shares from non-controlling interests	0.0	0.0	0.0	0.0	-28.3	-28.3	-4.1	-32.4
Disposal of shares to non-controlling interests	0.0	0.0	0.0	0.0	0.2	0.2	0.4	0.6
Total transactions with owners	0.0	0.0	-1.8	0.0	-41.5	-43.3	-19.1	-62.4
Equity at 30 September	453.0	0.0	-6.2	-4.1	110.1	552.8	68.4	621.2

STATEMENT OF CHANGES IN EQUITY – 1 January – 30 September 2020

(DKKm)	Share capital	Share premium	Treasury share reserve	Translation reserve	Retained earnings	NTG A/S shareholder's share of equity	Non-controlling interests	Total equity
Equity at 1 January	448.5	0.0	0.0	-7.5	-200.6	240.4	48.0	288.4
Profit for the period	0.0	0.0	0.0	0.0	81.1	81.1	14.2	95.3
Net exchange differences recognised in OCI	0.0	0.0	0.0	1.2	0.0	1.2	-0.2	1.0
Actuarial gains/(losses)	0.0	0.0	0.0	0.0	-2.4	-2.4	0.0	-2.4
Tax on other comprehensive income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other comprehensive income, net of tax	0.0	0.0	0.0	1.2	-2.4	-1.2	-0.2	-1.4
Total comprehensive income for the period	0.0	0.0	0.0	1.2	78.7	79.9	14.0	93.9
<i>Transactions with shareholders:</i>								
Share-based payments	0.0	0.0	0.0	0.0	0.5	0.5	0.0	0.5
Dividends distributed	0.0	0.0	0.0	0.0	0.0	0.0	-14.7	-14.7
Purchase of treasury shares	0.0	0.0	-4.6	0.0	-19.2	-23.8	0.0	-23.8
Addition of non-controlling interests	0.0	0.0	0.0	0.0	0.0	0.0	9.5	9.5
Acquisition of shares from non-controlling interests	4.5	16.8	0.0	0.0	-10.5	10.8	-12.0	-1.2
Disposal of shares to non-controlling interests	0.0	0.0	0.0	0.0	-0.5	-0.5	1.9	1.4
Other adjustments	0.0	-16.8	0.0	0.0	16.8	0.0	0.0	0.0
Total transactions with owners	4.5	0.0	-4.6	0.0	-12.9	-13.0	-15.3	-28.3
Equity at 30 September	453.0	0.0	-4.6	-6.3	-134.8	307.3	46.7	354.0

Notes

Note 1 – Accounting policies

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

Accounting policies, judgements and significant estimates applied in preparation of the Interim Financial Report are consistent with those applied in the consolidated financial statements for 2020. Reference is made to note 1.1 of NTG Nordic Transport Group’s 2020 Annual Report for a description of accounting policies. For a definition of financial key figures and financial ratios, please see page 85 of NTG Nordic Transport Group’s 2020 Annual Report.

NTG Nordic Transport Group has implemented all new EU-approved standards and interpretations effective as of 1 January 2021. None of these standards and interpretations have had a material impact on NTG Nordic Transport Group’s Financial Statements.

Note 2 – Segment information and net revenue

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

(DKKm)	Road & Logistics		Air & Ocean		Eliminations etc.		Total	
	Q3 2021	Q3 2020	Q3 2021	Q3 2020	Q3 2021	Q3 2020	Q3 2021	Q3 2020
Segment net revenue	1,396.5	1,129.4	480.7	237.5	0.5	0.3	1,877.7	1,367.2
Net revenue (between segments)	-4.6	-3.8	-3.6	-1.2	0.0	0.0	-8.2	-5.0
Net revenue (external)	1,391.9	1,125.6	477.1	236.3	0.5	0.3	1,869.5	1,362.2
Gross Profit	311.7	256.8	86.7	61.2	0.2	-0.3	398.6	317.7
Amortisation and depreciation	-41.7	-39.1	-2.5	-3.1	-0.5	-0.5	-44.7	-42.7
Operating profit before special items (adj. EBIT)	106.7	73.7	36.1	3.7	-0.2	0.2	142.6	77.6

(DKKm)	Road & Logistics		Air & Ocean		Eliminations etc.		Total	
	YTD 2021	YTD 2020	YTD 2021	YTD 2020	YTD 2021	YTD 2020	YTD 2021	YTD 2020
Segment net revenue	3,908.8	3,181.3	1,240.4	741.5	0.8	0.7	5,150.0	3,923.5
Net revenue (between segments)	-12.8	-12.7	-6.8	-3.8	-0.2	-0.2	-19.8	-16.7
Net revenue (external)	3,896.0	3,168.6	1,233.6	737.7	0.6	0.5	5,130.2	3,906.8
Gross Profit	861.4	701.5	241.0	187.1	0.1	0.0	1,102.5	888.6
Amortisation and depreciation	-94.2	-114.0	-7.2	-10.1	-1.1	-1.8	-102.5	-125.9
Operating profit before special items (adj. EBIT)	300.6	172.8	80.5	5.6	0.4	0.3	381.5	178.7

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

Net Revenue per country (DKKm)	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Denmark	612.6	480.9	1,679.2	1,401.5
Sweden	338.1	236.2	923.8	687.9
Germany	212.4	139.8	570.7	421.2
Finland	185.3	131.5	533.1	355.0
Other countries	521.1	373.8	1,423.4	1,041.2
Total	1,869.5	1,362.2	5,130.2	3,906.8

Note 3 – Leases

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

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

Right-of-use assets are initially measured at cost, equivalent to the relevant recognised lease liability

adjusted for any leasing payments made on or before the commencement date, any initial costs associated to the lease and other directly related costs including dismantling and restoration costs.

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

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

The amortisation and depreciation on intangible and tangible fixed assets are affected by the net positive one-off effect of the early termination of an office and logistics facility in Switzerland, as described above.

(DKK)M	2021			2020		
	Land & buildings	Other plant and equipment	Total	Land & buildings	Other plant and equipment	Total
Opening balance 1 January	339.2	214.5	553.7	295.6	223.1	518.7
Additions from business combinations	171.3	49.3	220.6	62.2	0.5	62.7
Additions during the period	11.9	76.6	88.5	22.2	71.8	94.0
Disposals during the period	-32.3	-15.3	-47.6	-2.7	-7.2	-9.9
Depreciation for the period	-21.2	-77.3	-98.5	-45.4	-72.4	-117.8
Foreign currency translation	-0.1	-0.2	-0.3	-1.4	-1.6	-3.0
Carrying amount at 30 September	468.8	247.6	716.4	330.5	214.2	544.7

Note 4 – Acquisition and disposal of entities

Acquisition during the year

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).

Earnings impact

During the respective periods after acquisition, the companies contributed with DKK 179.4 million to the Group's revenue, DKK 31.3 million to the Group's adj. EBIT and DKK 10.8 million to the result after tax. If the acquisition had taken place 1 January 2021 the Group's revenue would have amounted to DKK 5,210.7 million and result after tax would have amounted to DKK 283.7 million.

Transaction costs

No material transactions costs were recognised during the period.

Fair value of acquired net assets and recognised goodwill

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

Fair value of acquired trade receivables and other receivables amounts to DKK 50.2 million. Collectability of receivables has been assessed based on Group credit assessment policies. In total DKK 0.4 million has been provided for as doubtful trade receivables.

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

(DKKm)	Fair values at date of acquisition
Property, plant, and equipment	2.2
Right-of-use assets	21.9
Other receivables	1.0
Trade receivables	49.2
Cash and cash equivalents	11.2
Total Assets	85.5
Financial Liabilities	0.4
Lease liabilities	21.9
Deferred tax liabilities	0.1
Corporation tax	0.4
Trade payables	32.0
Other payables	22.1
Total liabilities	76.9
Non-controlling interests' share of acquired net assets	0.3
Acquired net assets	8.3
Fair value of total consideration	100.9
Goodwill and intangible assets arising from the acquisition	92.6

Integration of the companies 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.

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).

Earnings impact

During the period after the acquisition, the LGT Group contributed with DKK 56.0 million to the Group's revenue, DKK 5.2 million to the Group's adj. EBIT and DKK 3.7 million to the result after tax. If the acquisition had taken place 1 January 2021 the Group's revenue

would have amounted to DKK 5,541.9 million and result after tax would have amounted to DKK 296.9 million.

Transaction costs

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

Fair value of acquired net assets and recognised goodwill

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

Fair value of acquired trade receivables and other receivables amounts to DKK 83.7 million. Collectability of receivables has been assessed based on Group credit assessment policies. In total DKK 0.9 million has been provided for as doubtful trade receivables.

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

Integration of the LGT Group is still ongoing, and consequently net assets, including goodwill and other intangible assets, may be adjusted, and off-balance sheet items may be recognized for up to 12 months after the acquisition dates, in accordance with IFRS 3.

(DKKm)	Fair values at date of acquisition
Property, plant, and equipment	4.6
Right-of-use assets	198.7
Deferred tax assets	7.6
Other receivables	18.4
Trade receivables	65.3
Cash and cash equivalents	67.6
Total assets	362.2
Financial Liabilities	203.9
Lease liabilities	198.7
Provisions	0.8
Corporation tax	6.5
Trade payables	43.1
Other payables	38.2
Total liabilities	491.2
Non-controlling interests' share of acquired net assets	0.0
Acquired net assets	-129.0
Fair value of total consideration	132.0
Goodwill and intangible assets arising from the acquisition	261.0

Note 5 – Treasury shares

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

	Number of shares	Nominal value (DKKm)	Part of share capital	Market value (DKKm)
Treasury shares 1 January	222,747	4.4	0.98%	57.0
Purchase of shares etc.	86,550	1.7	0.38%	21.0
Other transactions	43,029	1.0	0.19%	22.3
Value adjustment				75.2
Treasury shares 30 September	352,326	7.1	1.55%	175.5

Note 6 – Events after the reporting period

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

Statement of the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the Interim Report of NTG Nordic Transport Group A/S for the period 1 January 2021 to 30 September 2021.

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

Financial Reporting as adopted by the EU and additional Danish disclosure requirements for interim financial reporting of listed companies. In our opinion, the interim consolidated financial statements give a true and fair view of NTG Nordic Transport Group A/S' consolidated assets, liabilities and financial position at 30 September 2021 and of the results of NTG Nordic Transport Group A/S' consolidated operations and cash flows for the period 1 January 2021 to 30 September 2021.

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

Hvidovre, 11 November 2021

Executive Board

Michael Larsen
Group CEO

Christian D. Jakobsen
Group CFO

Board of Directors

Eivind Kolding
Chairman of the board

Jørgen Hansen
Vice chairman of the board

Finn Skovbo Pedersen
Board member

Carsten Krogsgaard Thomsen
Board member

Jesper Præstengaard
Board member

Karen-Marie Katholm
Board member