

NTG Nordic A/S

Truckvej 5, 4600 Koege

CVR No 33 57 21 90

Annual report for

January 1, 2019

-

December 31, 2019

The Annual Report was presented and adopted at the Annual General Meeting of the Company on:
17/04/2020

Chairman

Johan Lønberg

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of NTG Nordic A/S for the financial year 1 January – 31 December 2019.

The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2019 of the Company and of the results of the Company operations for the financial year 1 January – 31 December 2019.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Company, of the results for the year and of the financial position of the Company.

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

Koegel, 17 April 2020

Executive Board

Michael Larsen

Board of Directors

Jesper Ellegaard Petersen
Chairman

Kenneth Agner Sørensen

Michael Larsen

Mikkel Fruergaard

Christian Paul Dyander Jakobsen

Erik Jensen

Independent Auditor's Report

To the Shareholders of NTG Nordic A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of NTG Nordic A/S at 31 December 2019, and of the results of NTG Nordic A/S' operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of NTG Nordic A/S for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

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

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

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the 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 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 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 in preparing the financial statements unless Management either intends to liquidate the 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 conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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 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 in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents 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.

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.

Hellerup, 17 April 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR No. 33 77 12 31

Flemming Eghoff
State Authorized Public Accountant
mne30221

Morten Jørgensen
State Authorized Public Accountant
mne32806

Managements Review

Key activities

The Company's key activities comprise national and international freight forwarding and transport, storage and distribution at home and abroad of all types of freight as well as any related business.

Development in the year

The income statement of the company for 2019 shows a profit of DKK 67.955 thousand and at 31 December 2019 the balance sheet of the Company shows equity of DKK 50.032 thousand.

The company's results are in line with expectations.

The Company has achieved the established expectations of sales in 2019 set in 2018.

The past year and follow-up on development expectations

In 2020, the Company expects continued sales growth more or less in line with 2019. The growth is expected primarily to take place through organic growth. The Group is built on a solid foundation which has secured a solid footing in Scandinavia where we have a strengthened organisation that is ready to continue exploiting available market opportunities.

The situation surrounding COVID-19 has caused a high degree of uncertainty in the macroeconomic environment at the beginning of 2020. Although a negative impact on the Company's results in 2020 is to be expected, it is not possible to precisely quantify the effects. The expectations presented above reflect the best estimate at the time this Annual Report was prepared.

Special risks

The most significant operating exposure faced by NTG Nordic A/S is the requirement that we are strongly positioned in the markets in which we operate to ensure competitive prices, flexible solutions for the individual customer as well as a high degree of efficiency.

External Environment

NTG Nordic A/S makes continuous efforts to reduce our adverse environmental impact. This is done by reducing no-load operations and currently optimising load rates on all transport units.

In-house, we have implemented electronic IT solutions to limit our paper consumption both in the company and with our customers. We moreover only use green electricity and, through this, look after our environmental impact.

Intellectual capital resources

The cornerstone of NTG Nordic A/S' development is faithful, competent and loyal employees with top qualifications. NTG Nordic A/S' recipe for growth is to retain and attract new employees to develop the organisation.

The development of the organisation is based on training and optimisation as well as further development of our IT-platforms to improve the work processes.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Unusual events

The financial position at 31 December 2019 of the Company and the results of the activities of the Company for the financial year for 2019 have not been affected by any unusual events.

Subsequent events

Please refer to note 14.

Company Information

Company

NTG Nordic A/S
Truckvej 5
4600 Koege

Cvr-nr. 33 57 21 90
Municipality of reg. office Koege

Reporting period 01 January 2019 - 31 December 2019

Executive Board

Michael Larsen

Board of Directors

Jesper Ellegaard Petersen (Chairman)
Kenneth Agner Sørensen
Michael Larsen
Mikkel Fruergaard
Christian Paul Dyander Jakobsen
Erik Jensen

Audit

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Financial highlights

DKK '000	2019	2018	2017	2016	2015
Key Figures					
Profit/loss					
Gross profit	116.303	117.997	101.312	82.697	51.072
Operating profit/loss	80.356	72.913	64.756	55.156	29.442
Net financials	548	4.926	1.497	-2	1.762
Net profit/loss for the year	67.954	61.771	51.110	43.008	23.807
Balance sheet					
Balance sheet total	138.904	147.177	118.617	100.620	84.428
Equity	50.032	62.271	50.175	42.513	24.307
Ratios					
Return on assets	48,9%	49,5%	54,6%	54,8%	34,9%
Solvency ratio	56,3%	42,3%	42,3%	42,3%	28,8%
Return on equity	121,0%	109,9%	110,3%	128,7%	120,2%

The financial ratios have been calculated in accordance with the recommendations of the Association of Danish Financial Analysts.

Explanation of financial ratios

Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total liabilities at year end}}$
Return on Equity	$\frac{\text{Net profit for the year} \times 100}{\text{average equity}}$

Income Statement

	Note	2019	2018
Gross profit		116.303.214	117.997.404
Staff costs	2	-35.753.123	-44.961.360
Depreciation, amortization and impairment of intangible assets and property, plant and equipment		-194.229	-123.387
Other operating expenses		0	-93.911
Profit/loss before financial income and expenses		80.355.862	72.818.746
Income from investments in subsidiaries		5.281.187	4.265.874
Financial income	3	1.114.688	1.218.758
Financial costs	3	-566.673	-558.899
Profit/loss before tax		86.185.064	77.744.479
Tax on profit for the year	4	-18.230.965	-15.973.687
Net profit/loss for the year		67.954.099	61.770.792

Balance Sheet

Assets

	Note	2019	2018
Fixed assets			
Goodwill	5	550.614	744.843
		550.614	744.843
Fixed asset investments			
Investments in subsidiaries	6	5.450.934	4.265.875
Other investments	7	6.803	32.367
		5.457.737	4.298.242
Total fixed assets		6.008.351	5.043.085
Current assets			
Receivables			
Trade receivables		71.418.925	74.269.216
Receivables from Group companies		53.261.014	64.639.252
Other receivables		6.606.127	488.954
Deferred tax assets	8	43.894	13.674
Prepayments	9	1.476.256	255.064
		132.806.216	139.666.160
Cash and cash equivalents		89.036	38.076
Total current assets		132.895.252	139.704.236
Total assets		138.903.603	144.747.321

Balance Sheet

Equity and Liabilities

	Note	2019	2018
Share capital	10	500.000	500.000
Reserve for net revaluation under the equity method		5.450.934	4.265.874
Retained earnings		0	57.504.918
Proposed dividend for the year		44.080.924	0
Total equity		50.031.858	62.270.792
Short-term debt			
Trade payables		77.211.669	69.741.163
Payables to Group companies		2.911.979	3.121.838
Corporation tax, payable		2.472.943	3.143.246
Other payables		6.275.154	6.470.282
		88.871.745	82.476.529
Total liabilities		88.871.745	82.476.529
Total equity and liabilities		138.903.603	144.747.321

1. Accounting policies
11. Proposed distribution of profit
12. Contingent liabilities and other financial obligations
13. Related parties
14. Subsequent events

Statement of Changes in Equity

2019

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Total equity
Equity at 1 January	500.000	4.265.874	57.504.918	0	62.270.792
Exchange adjustments relating to foreign entities	0	-170.680	0	0	-170.680
Extraordinary dividend paid	0	0	-80.022.353	0	-80.022.353
Net profit/loss for the year	0	1.355.740	22.517.435	44.080.924	67.954.099
Equity at 31 December	500.000	5.450.934	0	44.080.924	50.031.858

Statement of Changes in Equity, continued

2018

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Total equity
Equity at 1 January	500.000	0	0	49.674.969	50.174.969
Ordinary dividend paid	0	0	0	-49.674.969	-49.674.969
Net profit/loss for the year	0	4.265.874	57.504.918	0	61.770.792
Equity at 31 December	500.000	4.265.874	57.504.918	0	62.270.792

Accounting policies

The Annual Report of NTG Nordic A/S for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Company's Financial Statements for 2019 are presented in DKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of NTG Nordic Transport Group A/S, the Company has not prepared consolidated financial statements.

The consolidated financial statements of the ultimate parent company, NTG Nordic Transport Group A/S, can be found on investor.ntg.dk.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Nordic Transport Group A/S, the Company has not prepared a cash flow statement.

Leases

All leases are considered operating leases.

Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term

Translation policies

On Initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

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. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Revenue comprises sale of services and 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 fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Direct expenses

Direct expenses comprise expenses incurred to achieve revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, direct expenses, other operating income and other external expenses

Staff costs

Staff expenses include wages and salaries, including compensated absence and pensions, as well as other social security contributions etc. Made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating Income and Expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company.

Income from investments in subsidiaries

The item "income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year

Financial income and costs

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

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 NTG Nordic Transport Group A/S. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance sheet**Intangible assets**

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 5 years.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Other fixed asset investments consists of receivable deposit measured at amortized cost.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity - dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Deferred tax assets and liabilities

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

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 debts

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

Financial statements 1. January - 31. December

Notes

Note 2 - Staff costs

(DKK)	2019	2018
Wages and salaries	31.938.036	41.845.485
Pensions	2.350.439	2.629.240
Other social security costs and other staff costs	1464648	486.635
Total	35.753.123	44.961.360
Average number of full time employees	66	63

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

Note 3 - Financial income and costs

(DKK)	2019	2018
Interest received from Group companies	1.114.242	1.039.136
Other financial income	446	179.622
Exchange adjustments	0	0
Total financial income	1.114.688	1.218.758
Interest paid to Group companies	68.074	0
Other financial costs	227.913	558.899
Exchange adjustments	270.686	0
Total financial costs	566.673	558.899

Note 4 - Tax on profit for the year

(DKK)	2019	2018
Current tax for the year	18.304.822	16.177.075
Deferred tax for the year	-30.222	15.924
Adjustment of tax concerning previous years	-43.635	-219.312
Tax on profit for the year	18.230.965	15.973.687

Financial statements 1. January - 31. December

Note 5 - intangible assets

(DKK)	Goodwill
Cost at 1 January	971.143
Cost at 31 December	971.143
Impairment losses and amortization at 1 January	226.300
Amortization for the year	194.229
Impairment losses and amortization at 31 December	420.529
Carrying amount at 31 December	550.614

Note 6 - Investments in subsidiaries

(DKK)	Investments in subsidiaries
Cost at 1 January	1
Cost at 31 December	1
Value adjustments at 1 January	4.265.874
Currency translation adjustments	-170.680
Net profit for the year	5.281.187
Dividend received	-3.925.447
Impairment losses and depreciation at 31 December	5.450.934
Carrying amount at 31 December	5.450.935

Name and place of registered office	NTG Domestic AB, Sweden
Share capital	500.000
Votes and ownership	71%

Note 7 - Other fixed asset investments

(DKK)	Deposits
Cost at 1 January	32.367
Disposals at cost	-25.564
Cost at 31 December	6.803

Financial statements 1. January - 31. December

Note 8 - deferred tax asset

(DKK)	2019	2018
Deferred tax asset at 1 January	13.674	29.608
Amounts recognised in the income statement of the year	30.220	-15.924
Net effect from merger and acquisitions	0	-10
Deferred tax asset at 31 December	43.894	13.674

Note 9 - Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest as well.

Note 10 - Equity

The share capital consists of 500 shares of a nominal value of DKK 1,000. No shares carry any special rights. There have been no changes in the share capital during the last 5 years.

Note 11 - Proposed distribution of profit

(DKK)	2019	2018
Extraordinary dividend paid	80.022.353	0
Proposed dividend for the year	44.080.924	0
Reserve for net revaluation under the equity method	5.281.187	4.265.874
Retained earnings	-61.430.365	57.504.918
Total distribution	67.954.099	61.770.792

Note 12 - Contingent liabilities, other financial obligations

(DKK)	2019	2018
<i>Future lease payments on operating leases:</i>		
Within 1 year	14.613.857	16.461.973
Between 1 and 5 years	27.407.038	31.275.230
After 5 years	0	0
Total	42.020.895	47.737.203

Financial statements 1. January - 31. December

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.

Note 13 - Related party transactions

	<u>Basis</u>
Controlling interest	
NTG Nordic Transport Group A/S	Parent Company

Transactions

The company has chosen to only disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent company

<u>Name</u>	<u>Place of registered office</u>
NTG Nordic Transport Group A/S	Hvidovre, Denmark

Note 14 - Subsequent events

The situation surrounding COVID-19 has caused a high degree of uncertainty in the macroeconomic environment at the beginning of 2020. Although a negative impact on the Company's results in 2020 is to be expected, it is not possible to precisely quantify the effects. This is a non-adjusting event with relation to the 2019 Financial Statements.

No other events, besides the above, materially affecting the assessment of the Annual Report have occurred after the balance sheet date.