

Nordic Transport Group A/S

Hammerholmen 47-49, DK-2650 Hvidovre

CVR No. 36 47 15 73

Annual report for the period:

January 1, 2022

-

December 31, 2022

The Annual Report was presented and adopted at the Annual General Meeting of the Company on:
21 June 2023

Chairman of the General Meeting

Thomas Junker Jensen

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Company Information

Company

Nordic Transport Group A/S
Hammerholmen 47-49
DK-2650 Hvidovre

Cvr-nr. 36 47 15 73
Municipality of reg. office Hvidovre

Board of Directors

Jesper Ellegaard Petersen
Michael Larsen
Christian Paul Dyander Jakobsen

Executive Board

Christian Paul Dyander Jakobsen

Audit

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Nordic Transport Group A/S for the financial year 1 January – 31 December 2022.

The Annual Report is 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 2022 of the Company and of the results of the Company operations for 2022.

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 financial year 2022 and of the financial position of the Company at 31 December 2022.

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

Hvidovre, 21 June 2023

Executive Board

Christian Paul Dyander Jakobsen

Board of Directors

Jesper Ellegaard Petersen
Chairman

Michael Larsen

Christian Paul Dyander Jakobsen

Independent Auditor's Report

To the Shareholders of Nordic Transport Group A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Nordic Transport Group A/S for the financial year 1 January - 31 December 2022, 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

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.

Hellerup, 21 June 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR No. 33 77 12 31

Jacob Brinch
State Authorised Public Accountant
mne35447

Frederik Geer Harvest
State Authorised Public Accountant
mne45859

Management's Review

Key activities

The Company's key activities comprise investments in national and international freight forwarding and transport, storage and distribution companies as well as any related business.

Development in the year

The income statement of the company for 2022 shows a profit of DKK 205.819 thousand and at 31 December 2022 the balance sheet of the Company shows equity of DKK 310.982 thousand.

The Company's results are in line with expectations.

Expectations for the coming year

In 2023, the Company will have limited activity and expected results will mainly consist of results from subsidiaries. The company expects a net result in 2023 of between DKK 150.000 - 250.000 thousand, driven by income from investments in Group companies.

Special risks

The Company is not faced with any special risks affecting the financial statements.

External Environment

The Company's subsidiaries 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.

Intellectual capital resources

The cornerstone of the Company's subsidiaries' development is faithful, competent and loyal employees with top qualifications. NTG'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.

Financial highlights

DKK '000	2022	2021	2020	2019	2018
Key Figures					
Profit/loss					
Gross profit	-5.153	-975	9.248	10.838	9.559
Operating profit/loss	-5.153	-975	9.216	-14.780	-7.875
Net financials	203.784	130.637	-42.296	1.196.928	38.420
Net profit/loss for the year	205.819	130.759	-32.990	1.182.839	30.844
Balance sheet					
Balance sheet total	985.294	362.289	260.682	1.432.796	331.327
Equity	310.982	188.012	110.323	1.327.167	122.826
Ratios					
Solvency ratio	31,6%	51,9%	42,3%	92,6%	37,1%
Return on equity	82,5%	87,7%	-4,6%	163,2%	26,9%

The key figures and financial ratios have been prepared on a consolidated basis. The financial ratios have been calculated in accordance with the recommendations of the Association of Danish Financial Analysts (2015).

Explanation of financial ratios

Solvency ratio	$\frac{\text{Equity at 31 December} \times 100}{\text{Total assets}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{average equity}}$

Income Statement

DKK '000	Note	2022	2021
Other external expenses		-5.153	-975
Gross profit		-5.153	-975
Operating profit		-5.153	-975
Income from investments in Group companies		230.770	134.597
Financial income	3	3.995	273
Financial costs	3	-30.981	-4.233
Profit before tax		198.631	129.662
Tax on profit for the year	4	7.188	1.097
Profit for the year		205.819	130.759

Balance Sheet

Assets

DKK '000	Note	2022	2021
Investments in Group companies	5	973.820	355.058
Receivables from Group companies		6.780	73
Total non-current assets		980.600	355.131
Receivables from Group companies		3.239	0
Other receivables		0	7.102
Corporation tax		1.455	56
Total current assets		4.694	7.158
Total assets		985.294	362.289

Equity and Liabilities

DKK '000	Note	2022	2021
Share capital	6	766	766
Retained earnings	7	310.216	187.246
Total equity		310.982	188.012
Provisions	8	29.297	86.485
Total non-current liabilities		29.297	86.485
Provisions, short-term		293	0
Payables to Group companies		639.143	84.515
Other payables		5.579	3.277
Total current liabilities		645.015	87.792
Total liabilities		674.312	174.277
Total equity and liabilities		985.294	362.289

Other notes:

Note 1 - Accounting policies

Note 2 - Staff costs

Note 9 - Contingent liabilities, other financial obligations and contingent assets

Note 10 - Related party transactions

Note 11 - Events after the balance sheet date

Statement of Changes in Equity

2022

DKK '000	Share capital	Reserve for net revaluation, equity method	Retained earnings	Total equity
Equity at 1 January	766	0	187.246	188.012
Profit for the year	0	16.979	188.840	205.819
Net exchange differences on subsidiaries	0	-16.979	0	-16.979
Acquisition of shares from non-controlling interests	0	0	-68.132	-68.132
Disposal of shares to non-controlling interests	0	0	2.263	2.263
Equity at 31 December	766	0	310.216	310.982

2021

DKK '000	Share capital	Reserve for net revaluation, equity method	Retained earnings	Total equity
Equity at 1 January	766	0	109.557	110.323
Profit for the year	0	-9.718	140.477	130.759
Net exchange differences on subsidiaries	0	9.718	0	9.718
Acquisition of shares from non-controlling interests	0	0	-63.156	-63.156
Disposal of shares to non-controlling interests	0	0	386	386
Other adjustments	0	0	-18	-18
Equity at 31 December	766	0	187.246	188.012

Notes

Note 1 - Accounting policies

The Annual Report of Nordic Transport Group A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The Company's Financial Statements are presented in DKK thousand.

Accounting policies are unchanged from last year.

For presentational purposes, minor immaterial reclassifications to comparative figures have been performed.

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 parent company, NTG Nordic Transport Group A/S, can be found at 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 NTG Nordic Transport Group A/S, the Company has not prepared a cash flow statement.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

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**Other external expenses**

Other external expenses comprise expenses for distribution, sales, marketing, administration, premises, bad debts as well as leases, etc.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of profit for the year, including amortizations of goodwill arising at initial recognition and other value adjustments on subsidiaries.

The item also includes gains on sale of investments in subsidiaries and any earn-out adjustments realized in the year.

Financial income and costs

Financial income and costs comprise interests, realized and unrealized 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 and group goodwill**

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

Group goodwill arising at initial recognition of subsidiaries is amortised on a straight-line basis over the estimated useful life of 20 years determined on the basis of Management's experience with the individual business areas. The useful life of goodwill relates mainly to the investment in subsidiaries. It is Management's assessment that the acquired companies are a strategic investment and will contribute positively to the Company's earnings over a longer period due to good market positions and strong earnings potentials.

Receivables

Receivables are measured in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Equity - dividend

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

Provisions

Provisions are recognised when the Company 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. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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.

Note 2 - Staff costs

The average number of full time employees in 2022 was 0 (2021: 0).

Remuneration paid by the Company to the Executive Management in 2022 is DKK 0 thousand (2021: DKK 0 thousand). Remuneration paid by the Company to the Board of Directors in 2022 is DKK 0 thousand (2021: DKK 0 thousand).

Note 3 - Financial income and costs

<u>(DKK '000)</u>	<u>2022</u>	<u>2021</u>
Interest received from Group companies	3.282	15
Other financial income	713	258
Total financial income	3.995	273
Interest paid to Group companies	10.077	1.377
Other financial costs	20.904	2.856
Total financial costs	30.981	4.233
Net financials	-26.986	-3.960

Note 4 - Tax

<u>(DKK '000)</u>	<u>2022</u>	<u>2021</u>
<i>Tax for the year can be broken down as follows:</i>		
Current tax for the year	-7.184	-1.083
Adjustment of deferred tax for the year	0	5
Adjustment of tax from prior periods	-4	-19
Total	-7.188	-1.097

Note 5 - Investments in subsidiaries

(DKK '000)	2022	2021
Cost at 1 January	388.089	383.111
Additions for the year	580.740	5.295
Disposals for the year	-7.242	-317
Cost at 31 December	961.587	388.089
Value adjustments at 1 January	-119.516	-223.518
Net profit/loss for the year	247.447	160.243
Dividend to parent company	-99.299	-40.083
Other equity movements, net	-365	2.316
Amortization of goodwill	-19.432	-19.385
Currency translation adjustments	-16.996	9.665
Change in intercompany profit	1.612	-7.336
Reversals related to disposals for the year	-10.532	-1.470
Other adjustments	0	53
Value adjustments at 31 December	-17.080	-119.516
Equity investments with negative net asset value offset against receivables	8	0
Equity investments with negative net asset value transferred to provisions	29.305	86.485
Carrying value at 31 December	973.820	355.058
Positive differences from initial measurement of subsidiaries at net asset value at 31 December	388.650	387.693
Composition of the line item "Income from investments in Group companies" is specified below:		
(DKK '000)	2022	2021
Income from investments in Group companies presented in the income statement	230.770	134.597
<i>Specified as follows:</i>		
Results from subsidiaries cf. table above	229.627	133.522
Other items	1.143	1.075
Reconciliation	0	0

The Company's subsidiary holdings are specified below:

Name of entity	Country of incorporation	Direct ownership % Company
Subsidiaries		
Subsidiaries		
NTG Air & Ocean A/S	Denmark	91%
NTG Projects A/S	Denmark	61%
NTG Terminals I A/S	Denmark	71%
NTG Terminals II A/S	Denmark	80%
NTG Ocean International A/S	Denmark	85%
NTG Courier A/S	Denmark	83%
NTG Domestic A/S	Denmark	71%
NTG Nielsen & Sørensen A/S	Denmark	71%
NTG Frigo East ApS	Denmark	61%
NTG Borås AB	Sweden	100%
NTG Road Sweden AB	Sweden	100%
NTG Växjö AB	Sweden	80%
NTG Turkey AB	Sweden	100%
NTG Air & Ocean AB	Sweden	75%
NTG Continent Escrow Holding AB	Sweden	74%
NTG Air & Ocean GmbH	Germany	100%
NTG FTS GmbH	Germany	74%
NTG Road GmbH	Germany	100%
NTG Multimodal GmbH	Germany	100%
NTG Polar Road Oy	Finland	91%
NTG Air & Ocean Oy	Finland	70%
NTG Eood	Bulgaria	100%
NTG Holding AG	Switzerland	100%
NTG Air & Ocean s.r.o.	Czech Republic	74%
NTG Transport Oü	Estonia	76%
NTG Air & Ocean (Hong Kong) Limited	Hong Kong	100%
Neptune Logistics (Worldwide) Limited	Hong Kong	100%
NTG Gondrand Kft.	Hungary	100%
NTG Transport SRL	Italy	100%
NTG Air & Ocean Japan Inc.	Japan	85%
NTG Lithuania UAB	Lithuania	53%
NTG Latvia Sia	Latvia	70%
NTG Logistics B.V.	Netherlands	86%
NTG Road B.V.	Netherlands	74%
NTG Road Norway AS	Norway	83%
NTG Air & Ocean AS	Norway	90%
NTG Polar Road Sp. z o.o.	Poland	81%
NTG Air & Ocean Sp. z o.o.	Poland	55%
NTG Services s.r.o	Slovakia	85%
NTG Air & Ocean Turkey	Turkey	100%
LLC Nordic Transport Group Ukraine	Ukraine	100%
NTG Road UK Limited	United Kingdom	81%
NTG (UK Holding) Limited	United Kingdom	100%
NTG Air & Ocean USA, Inc.	Unites States	99%
NTG Holding USA, Inc.	Unites States	100%
NTG Air & Ocean Vietnam Limited	Vietnam	51%

Note 6 - Equity

Share capital:
(DKK '000)

	<u>2022</u>	<u>2021</u>
A-shares	746	746
B-shares	20	20
Nominal value	<u>766</u>	<u>766</u>

All shares are fully paid up and have a nominal value of DKK 1 each.

A-shares have a pre-emptive right to dividends and liquidation proceeds totalling DKK 799 per A-share.

Note 7 - Proposed distribution of profit

(DKK '000)

	<u>2022</u>	<u>2021</u>
Transferred to reserve for net revaluation cf. equity method	16.979	-9.718
Transferred to retained earnings	188.840	140.477
Total	<u>205.819</u>	<u>130.759</u>

Note 8 - Provisions

(DKK '000)

	<u>Investments with negative values</u>
Carrying amount at 1 January	86.485
Amounts used during the year	-57.180
Carrying amount at 31 December	<u>29.305</u>

The provisions relate to equity investments with negative net asset value as of 31. december 2022.

Note 9 - Contingent liabilities, other financial obligations and contingent assets

As of 31 December 2022, the Company has no active leasing contracts or other contractual liabilities.

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 10 - Related parties disclosures

	<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. No such transactions were made in 2022.	
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 11 - Events after the balance sheet date

No events have occurred after the reporting period of importance to the financial statements.