Annual Report 2023

Finding our way in challenging circumstances

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 scalable 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.

Welcome to our Annual Report 2023

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

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Letter to our stakeholders

Finding our way in challenging circumstances

2023 was a demanding journey in an unpredictable landscape. From full speed ahead in the past period, the performance in 2023 was affected by the macroeconomic slowdown prompting reduced demand. NTG's scalable business model confirmed our ability to adjust and adapt to the adverse environment to keep running a financially, organisationally, and operationally sustainable business.

Michael Larsen
Group CEO

Eivind Kolding
Chairman of the Board

In 2023, the financial performance was adversely impacted by the macroeconomic headwinds causing downward pressure on rates and reduced volumes in both the Road & Logistics and the Air & Ocean divisions. Geopolitical tensions also characterised 2023.

Organisational adjustments, including cost base reductions and reinforcement of the sales force, were implemented in both divisions in response to increasing competition and changed demand dynamics. Internal reorganisations with mergers of selected subsidiaries into unified entities in respectively Sweden and Denmark were introduced with a focus on yielding positive transformations to unleash potential for commercial development, operational opportunities, and optimisations.

In 2023, the freight forwarding industry faced uncertainties that posed challenging conditions for M&A activities and led us to act cautiously in the market. One acquisition process however made the cut in December 2023 with the signing of an agreement to acquire 75% of RTC, a Danish company specialised in home deliveries of furniture and interior products, which could be rolled out in other geographies. As growth through M&A is an inherent part of NTG's business, we continuously evaluate potential candidates and remain committed to pursuing relevant opportunities in 2024.

To also sustain NTG's further growth, a new startup, NTG Supply Chain Solutions, was established in Indianapolis, USA as a new vertical in the Air & Ocean division.

We continue to believe in our flexible setup as the right response to a changing and challenging market environment and that our efforts, despite prevailing uncertainties, will foster further growth opportunities, creating value for our stakeholders.

Through the adaptability and agility of our organisation, we managed to manoeuvre in a year paved with winding roads while envisaging uncertain waters in 2024 alike. We thank the employees for exercising preparedness and drive, and customers, business partners, and shareholders for demonstrating trust and cooperation throughout a truly demanding year.

Yours sincerely,

Eivind Kolding
Chairman of the Board

Michael Larsen
Group CEO

Introduction

At a glance | Performance highlights 2023 | Five-year financial overview

The macroeconomic slowdown affected NTG's activity in 2023 and tested the resilience of our scalable and agile business model.

At a glance

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

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

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

Acquisitions are an integral part of NTG's business.

Road & Logistics

Air & Ocean

22 Countries
with operations

61 Subsidiaries
with operations

~2,000 Employees
embody NTG in everything we do

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

30 Acquisitions
completed since inception in 2011

Performance highlights 2023

Financial

Net revenue

8,338

(DKKm)

2023	8,338
2022	10,224
2021	7,302

Adjusted EBIT

630

(DKKm)

2023	630
2022	758
2021	542

Adjusted free cash flow

389

(DKKm)

2023	389
2022	714
2021	288

Return on invested capital before tax

32.0%

(% of average invested capital)

2023	32.0%
2022	46.0%
2021	50.9%

Non-financial

Employee gender diversity

33/67%

(%)

2023	33/67
2022	35/65
2021	33/67

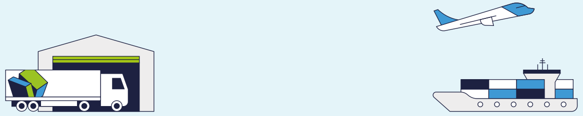
Proportion of female/male employees.

Average road CO_2 emissions per shipment

46.1

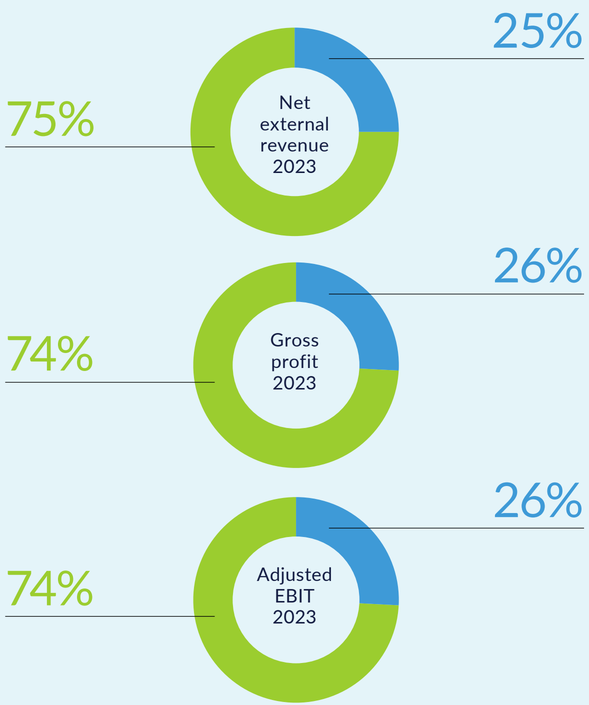
(g/tonne-km)

2023	46.1
2022	45.9
2021	48.0



Road & Logistics

Air & Ocean



Five-year financial overview

(DKKm)	2023	2022	2021	2020	2019
Income statement					
Net revenue	8,338	10,224	7,302	5,332	5,332
Gross profit	1,866	2,012	1,474	1,239	1,087
Operating profit before amortisations, depreciations and special items (adj. EBITDA)	853	980	699	429	345
Operating profit before special items (adj. EBIT)	630	758	542	261	208
Special items, net	-11	-29	-4	-5	-104
Net financial items	-105	-48	-61	-45	-49
Profit for the year	407	535	385	149	8
Earnings per share (DKK)	17.40	21.77	15.64	5.61	-0.64
Diluted earnings per share (DKK)	17.21	21.43	15.35	5.61	-0.64
Cash flow statement					
Operating activities	593	907	462	463	201
Investing activities	-7	-513	-167	-158	-52
Free cash flow	586	394	295	305	149
Adjusted free cash flow	389	714	288	314	110
Financing activities	-573	-231	-438	-249	-127
Cash flow for the year	13	163	-143	56	22

(DKKm)	2023	2022	2021	2020	2019
Balance sheet statement					
Additions to property, plant and equipment (excl. IFRS 16)	25	10	12	5	37
Balance sheet total	3,848	4,104	3,242	2,328	2,030
Net working capital	-209	-165	-187	-208	-100
Net interest-bearing debt	967	987	779	420	448
Net interest-bearing debt (excl. IFRS 16)	103	201	25	-196	-127
Invested capital	1,979	1,956	1,339	794	728
Total equity	1,097	1,064	634	393	288
NTG Nordic Transport Group A/S' shareholders' share of equity	1,019	967	558	332	240
Non-controlling interests	78	97	76	61	48
Financial ratios					
Gross margin	22.4%	19.7%	20.2%	23.2%	20.4%
Operating margin	7.6%	7.4%	7.4%	4.9%	3.9%
Conversion ratio	33.8%	37.7%	36.8%	21.1%	19.1%
ROIC before tax**	32.0%	46.0%	50.9%	34.3%	30.2%
Return on equity	37.7%	63.0%	75.0%	43.8%	3.2%
Solvency ratio	28.5%	25.9%	19.6%	16.9%	14.2%
Leverage ratio	1.13	1.01	1.11	0.98	1.30
Employees					
Average number of employees	1,971	1,978	1,621	1,482	1,380

* Comparative figures for 2019 and 2020 are not restated with the accounting practice change on terminal-related costs, reflected in the figures for 2021 and onwards. Refer to note 1.1 in NTG's 2022 Annual Report for further information.

** ROIC before tax is calculated using invested capital including right-of-use assets.

Strategy and targets

Business and value creation | Mergers & acquisitions | Progressing sustainably | Selected KPIs and achievements in 2023
Promoting people | Outlook 2024 and medium-term financial target | Capital structure

NTG is powered by professional and productive people who strive to deliver results with excellence and enthusiasm.

Business and value creation

Value drivers

From shipper...

NTG delivers the full range of freight forwarding services...

NTG

Road & Logistics and Air & Ocean

IT/Technology

Exploration of technology and data is crucial to ensure business performance and fulfil customer needs

People

Our almost 2,000 skilled and purposeful employees support customers optimising their supply chains.

Partners

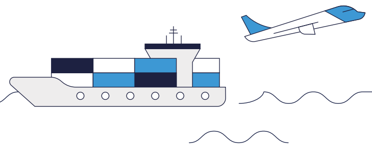
We depend on relationships with customers and suppliers/ subcontractors to run our business for mutual benefit.

Asset-light

We base our activities on an asset-light business model. This enables us to scale according to the market developments and NTG's growth.

Subcontracting

We act as coordinator, planner, and negotiator using a network of subcontractors to carry out the physical transports.



Value creation

... to consignee

... and end-to-end logistics solutions from shipper to consignee.

Society

We support societal growth as employer and provide services of vital relevance to the community,

Employees

In return for exploring the skills and abilities of our employees, we offer safety, trust, incentivisation, and development opportunities.

Shareholders

We aim to constantly increase shareholder value.

Customers

We support customers in progressing their business by simplifying their supply chain complexities.

Mergers & acquisitions

In 2023, global freight forwarding faced uncertainties that affected market outlooks and M&A activity. Caution prevailed due to lingering uncertainties and the deal flow remained muted throughout the year. Looking to 2024, we are committed to pursuing M&A driven by financial and operational readiness, as acquisitions remain a strategic priority for NTG.

2023 highlights

In 2023, the global freight forwarding industry grappled with a landscape influenced by lingering uncertainties. Factors like trade tensions, geopolitical issues, and macroeconomic headwinds contributed to cautious market outlooks amidst shifting consumer spending, sourcing trends, and inventory depletions.

The elevated uncertainties led us to exercise caution within M&A, and thoroughly evaluate normalised levels of performance of potential targets vis-à-vis prevailing market outlooks.

We encountered a multitude of potential M&A opportunities throughout the year; however, a combination of severe competition and other factors impeded the pace and deal completion.

In response to lower deal activity in the first half of the year, we broadened our sourcing strategy to an increasingly proactive approach. The change of approach involved actively identifying, evaluating, and soliciting potential acquisition targets that could enhance our market share, complement existing capabilities, diversify services, or enter new verticals, catering to both existing and new markets. However, the market rebound, initially expected earlier in the year, was repeatedly postponed, prompting us to remain cautious.

In December 2023, we signed an agreement to acquire 75% of the shares in RTC Transport A/S, a Danish company specialising in home deliveries of interior products. Closing of the transaction occurred on 14 February 2024.

Despite the challenges in 2023, we remain committed to using our strong balance sheet to pursue M&A opportunities in 2024. NTG has a strong M&A track record with 14 acquisitions completed in the last five years.

Strategic rationales

Strategic rationales for M&A at NTG encompass building capabilities and scale by acquiring asset-light firms in the forwarding industry, broadening services and market footholds.

Employing a decentralised operational model that integrates the strengths of smaller entities alongside the advantages of scale and diversification typical of larger players, NTG functions as an enabler for the growth of small- to medium-sized targets. This approach facilitates faster growth while reducing risks associated with changes in control and ownership.

M&A aids in attracting and retaining talent crucial in the people-centric freight forwarding industry, allowing for a skilled workforce that enhances the Group's operational efficiency and customer service.

Additionally, NTG aims to create value through a roll-up strategy, consolidating fragmented markets to realise scale efficiencies and operational excellence. These acquisitions yield synergies, such as procurement savings and streamlined back-office functions, enhancing the overall competitiveness and value proposition of NTG.

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.**

Acquisition of RTC
Read the announcement

Progressing sustainably

NTG is dedicated to securing vital supplies across the globe to deliver sustainable progress and value to our stakeholders by acting lawfully, respectfully, and responsibly as a corporate citizen, employer, and business partner.

Decarbonising supply chain solutions

NTG is committed to reducing the direct and indirect environmental impact of our activities through our own initiatives and in collaboration with our customers and subcontractors. We make efforts to continuously limit our carbon footprint by actively employing own emission-reducing initiatives, including increasing the renewable energy share and decreasing the fossil-fuel consumption in our buildings and vehicles, and offering various types of decarbonising transport solutions to support customers' supply chains.

NTG reiterates our intention to commit to the Science Based Targets initiative (SBTi) by developing emission reduction targets for our scope 1, 2 and 3 Greenhouse Gas emissions in line with the SBTi's criteria. In 2023, we have completed calculations of relevant emissions according to the Greenhouse Gas Protocol from our 2022 activities as required by SBTi before presenting reduction targets. Further, we have worked on defining plans to reduce emissions from various direct and indirect sources categorised as scope 1, 2 and 3. We expect to present the emission reduction targets to SBTi and confirm our commitment during 2024.

A safe workplace to satisfy the workforce

NTG has a global reach based on local presence bringing employees together with diverse backgrounds, competences, and experiences. We aspire to maintain and develop a pipeline of skilled employees by attracting new and retaining seasoned talents to keep a diverse workforce in terms of age, nationality, gender, and background.

The welfare and well-being of all employees are pivotal to NTG. We strive to maintain a safe working environment to completely avoid fatalities and continuously reduce the rate of work-related injuries. Our code of conduct provides guidance on employee rights, including freedom of association, human rights, anti-corruption, equal opportunities, and diversity in employment

Acting with integrity

Our Legal Compliance Program is a framework designed to prevent, detect, and mitigate risks related to our business activities. Our different codes and policies outlining lawful practices and ethical and responsible business behaviour are relevant guidelines for internal and external stakeholders when acting within or interacting with NTG. To sustain compliance with and awareness of our internal rules, we annually conduct internal online training on Code of Conduct for all employees. Further, we remain committed to performing compliance audits of suppliers and NTG entities to monitor the effectiveness of our responsible business practices.

Reporting on diversity at management levels cf. section 99b of the Danish Financial Statements Act

Board of Directors

Total number of board members

7

Underrepresented gender

29%

Target 29% – Year of achievement 2025

Other management levels

Total number of management members

8

Underrepresented gender

0%

Target 10% – Year of achievement 2027

■ Male ■ Female

NTG's Board of Directors is composed of seven members elected at the general meeting, of which 29% female and 71% male. This is considered an equal gender composition according to the definitions of the Danish Business Authority. NTG's other management levels include the two management levels below the Board of Directors (executive management and managers with employee responsibility who report to the executive management). In NTG's ESG & Diversity policy, our aim is to create a diverse workforce and management in terms of age, nationality, gender, and background and therefore we always seek to recruit the most suitable candidate, based on merits and competences. In alignment with our policy, we have defined a target to reach a representation of 10 % of the underrepresented gender by 2027 at the latest. In 2023, our process for recruitment of managers at other management levels was reviewed based on the policy and target.

Selected KPIs and achievements in 2023

Environment and climate

We want to be an active part and shape the development towards lower carbon emissions from our transport and logistics operations.

Achieved in 2023

Replacing fossil-fuelled company vehicles

Increasing the share of renewable energy consumption

We commit to collaborating with customers and suppliers to reduce carbon emissions from our operations.

Achieved in 2023

Offering decarbonising fuel solutions

Promoting alternative transport modes, routes, and solutions

Employees and diversity

The rate of work-related injuries and lost workdays due to workrelated injuries must be reduced every year.

Achieved in 2023

46%

reduction

We will have no fatalities among our employees.

Achieved in 2023

0

fatalities in 2023

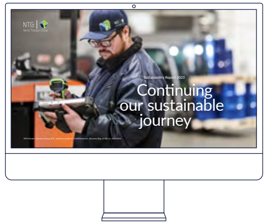
Responsible business practices

All salaried employees must receive training on NTG's Code of Conduct every year.

Achieved in 2023

83%

completion rate



Sustainability Report

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

NTG's 2023 Sustainability Report constitutes NTG's compliance with the statutory reporting as prescribed by sections 99a, 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 Reporting & rating - NTG Nordic Transport Group A/S.

Promoting people

NTG is committed to promoting an appealing workplace anchored in our cornerstone principles: Empowerment of employees, decentralisation of operations, and cross-organisational collaboration.

We continuously make efforts to sustain the fundamentals through our organisational setup. By decentralising operations in the local entities, we strive to preserve the local ownership and commitment, while encouraging cross-organisational cooperation to deliver commercial excellence as a combined Group.

For NTG, employee retention is of crucial value. To strengthen the attractiveness as employer and preserve the dynamics of our organisational culture as NTG matures and expands in size and complexity, it is increasingly important to offer relevant internal career development opportunities, including through initiatives such as certified freight forwarding educational programmes, talent-based organisational advancements, voluntary secondments domestically or abroad, and other internal rotation arrangements.

Internal recruitment for mutual benefit

Internal recruitment fosters progress and development of the employees as well as the organisation. Strengthening the organisational capabilities through internal mobility opportunities by enhancing and consolidating the experience and expertise of the existing employees to support their individual motivation and commitment contributes to enrichen NTG's organisational, financial, and operational performance for the benefit of the Company's stakeholders. In 2023, NTG made several internal recruitments by offering internal candidates the opportunity to unfold their potential and talent through exploration of new roles, responsibilities, and challenges within the Group.

The driving forces of NTG

Worldwide, NTG is embodied by approximately 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.

Jeroen Schuering

Vice President of Sales,
NTG Air & Ocean, LLC (USA),
Former: Managing Director,
NTG Air & Ocean Netherlands
Part of NTG since 2017

I am pleased to evolve my employment in NTG through a full-scale expatriation to the US. Having served as Managing Director for NTG Air & Ocean Netherlands since its start-up in 2017, I have recently relocated to Houston, USA to unfold my expertise in another geographical setting in a newly established position with main focus on increasing the commercial performance and developing the US sales organisation. With my background, seniority, and solid foundation within the NTG culture, I also bring extensive experience to support the trade lane development between the US and European NTG organisations to further expand the internal business integration and cooperation.

Melina Rannanjarvi

Head of division Nordics,
NTG Road AB,
Former: Business Area Manager,
NTG East AB
Part of NTG since 2020

In my view, the internal restructuring process of combining the Swedish road companies has broadened perspectives and opportunities. Transitioning from a role with inherent geographically and operationally limited reach to a position with extended responsibility has certainly provided wider possibilities for expanding the service offerings towards existing and potential customers. The merger of the Swedish road entities has also been a catalyst for strengthening the team spirit and employee engagement among my competent and cooperative colleagues by enabling them to leverage their collective strengths, knowledge, and expertise for improved commercial and organisational development.

Jesper Kroggaard Møller

Group Chief Commercial Officer (CCO),
Road & Logistics,
Former: Managing Director,
NTG East AB
Part of NTG since 2015

I consider the internal recruitment an attractive opportunity. Personally, I left an ideal position in NTG to luckily gain another dream job within the Group in return. Departing as Managing Director of a locally anchored Swedish subsidiary to the group position as CCO in the Road & Logistics division, I carry relevant insights on NTG's decentralised setup. Based on my thorough understanding of its commercial and operational conditions, my focus is now to develop and strengthen the group-wide commercial coordination and collaboration across our locally based entities while benefitting from the advantages embedded in our decentralised mindset.

Outlook 2024 and medium-term financial target

For 2024, we expect an adjusted EBIT of DKK 500-580 million. We maintain our medium-term financial target of DKK 1 billion in adjusted EBIT no later than by the end of 2027.

2024 outlook assumptions

The outlook assumes an expected overall flat market environment with soft macroeconomics and continued muted consumer confidence.

The Road & Logistics division is anticipated to persist in the current market environment for 2024, characterised by low freight rates, soft volumes, and challenging spot markets.

The Air & Ocean division is anticipated to continuously operate in the current market environment, characterised by low freight rates and oversupply of freight capacity, resulting in adverse impacts for both freight rates and yields.

For both divisions, we continue to closely monitor the activity and to adjust capacity and cost base accordingly.

The outlook for 2024 includes the effects of the acquisition of RTC Transport as of February 2024. The outlook does not include potential impact from other acquisitions during 2024, if any.

The outlook further assumes currency exchange rates at current levels.

Financial and geopolitical uncertainty remains elevated and the assumptions underlying the outlook may change.

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.

2024 Outlook

DKK million	2023 realised	2024 guidance	Medium-term financial target no later than 2027
Adjusted EBIT	630	500-580	1,000

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.

Capital structure

The Group's capital structure supports our growth ambitions by maintaining a capital buffer for investments in organic growth, acquisitions, and other strategic initiatives.

Financing

Cash conversion is mainly generated from the Group's operational activities, thanks to our asset-light business model. Most operational assets are owned and operated by subcontractors and mainly trailers, offices and a few warehouses are leased by NTG. To cover short-term financing needs for investments, we also use supplemental loan facilities.

NTG aims for a leverage ratio below 3.0x, measured as net interest-bearing debt (incl. IFRS 16) relative to EBITDA before special items. This ratio may temporarily exceed the threshold following significant acquisitions.

Design

The capital structure is designed in accordance with the following medium-term strategic objectives:

- Maintain a leverage ratio below the threshold.
- Ensure a sufficient capital buffer for investments in organic growth, acquisitions, and other strategic initiatives.
- Acquire minority shareholders' shares in subsidiaries and cover obligations under share-based incentive programs.
- Distribute capital exceeding long-term requirements to shareholders through share buy-back programs.

The Board of Directors consistently assesses the Group's capital structure by considering its financial position, anticipated future cash flow, and capability for engaging in value-creating investments. The primary focus for capital allocation is on investments and share buy-backs, prioritised over dividend payments.

Operational initiatives aimed at optimising invested capital are evaluated on a recurring basis, as they are fundamental to securing our flexible capital structure that creates value for our shareholders.

To optimise invested capital and mitigate the risk on debtors, the Group has entered a new receivables purchase agreement of DKK 85 million in 2023. The effect from receivables purchase agreements was DKK 95 million as of 31 December 2023 (31 December 2022: DKK 26 million), resulting from the new agreement and a phase-out impact of negative DKK 16 million from previous agreements.

Ring-the-bell

Partners holding minority shares in NTG subsidiaries have the option to offer these shares to the Parent Company through a mutually agreed ring-the-bell procedure, cf. shareholder information section on page 41. Partners cannot be forced to ring the bell, and no predefined initiation of any ring-the-bell process exists. Capital requirements to acquire non-controlling interests are generally uncertain until one year before a potential share swap.

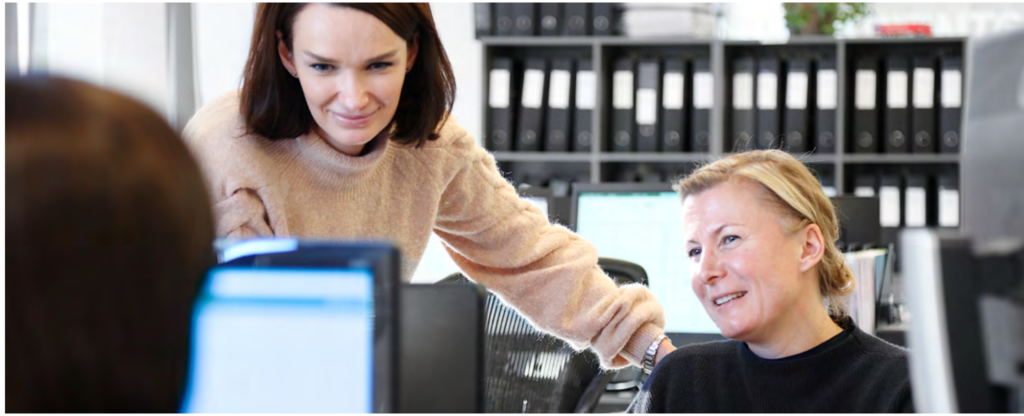
Capital requirements to enable future ring-the-bell share swaps are reviewed on an ongoing basis.

Investments

Since NTG's establishment in 2011, all investments have been financed using available capital resources. In 2024, our primary plan is to utilise available financial resources and free cash flow for investments in start-ups, acquisitions, and share buy-back programs. If planned investments are not covered by existing loan facilities, we will consider additional funding sources from the debt and capital markets or consider payment in shares.

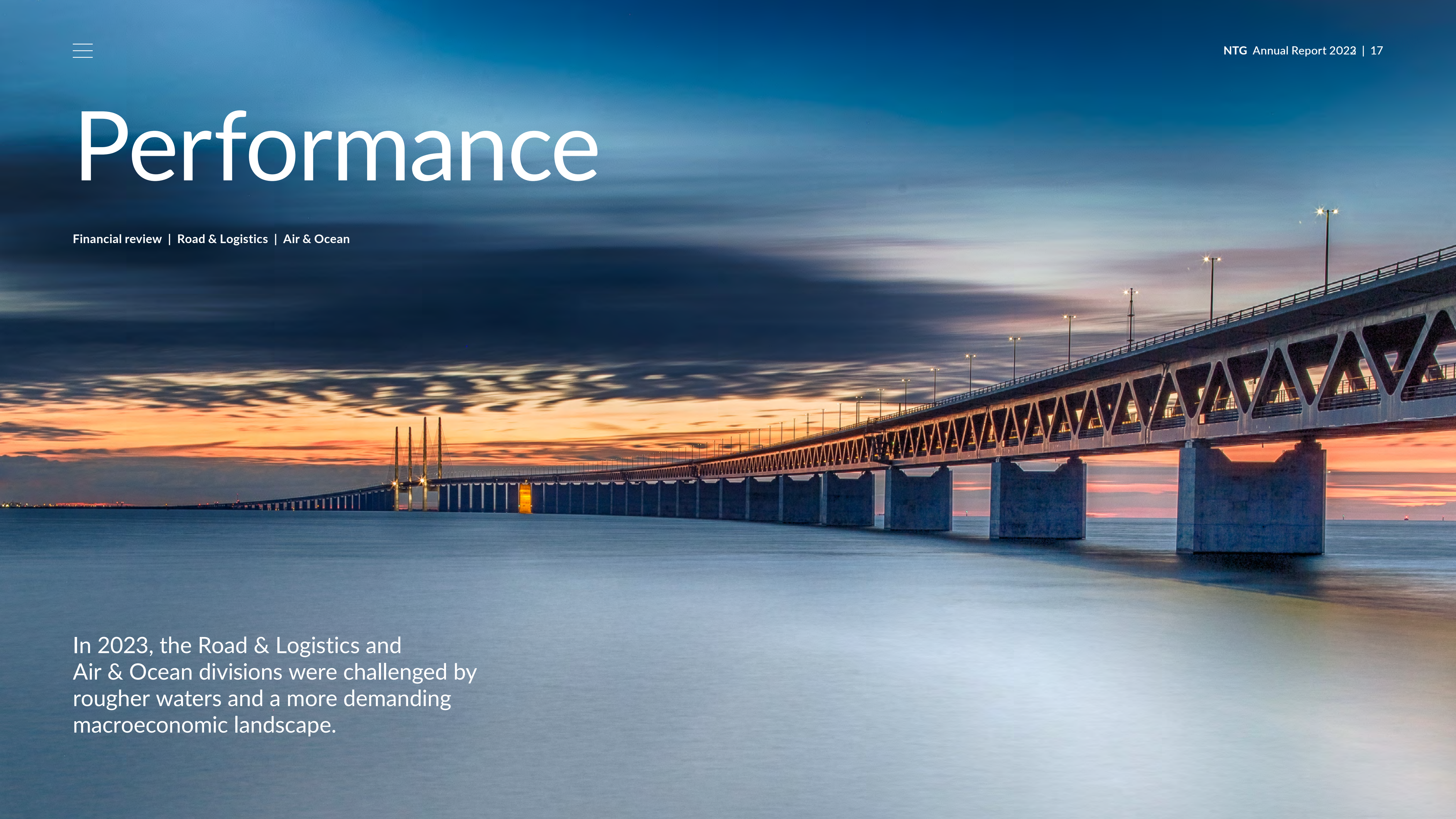
Dividends

Consistent with our capital allocation principles, no dividends are proposed for the year 2023.



In 2024, available financial resources will be allocated mainly to investments in start-ups, acquisitions, and share buy-back programs.

No dividend payment is proposed for 2023.



Performance

Financial review | Road & Logistics | Air & Ocean

In 2023, the Road & Logistics and Air & Ocean divisions were challenged by rougher waters and a more demanding macroeconomic landscape.

Financial review

Net revenue totalled DKK 8,338 million with an adjusted EBIT of DKK 630 million, leading to an operating margin of 7.6%. Realised financial results for 2023 are in line with the updated outlook announced in August 2023.

Financial performance

2023 was characterised by more challenging market conditions for both Road & Logistics and Air & Ocean with pressure from lower freight rates and lower volumes compared to 2022. Both divisions delivered softer results in 2023 with a combined negative top-line growth of 18.4% and a decrease in adjusted EBIT of 16.9% compared to 2022.

Despite the increase in gross margin from 19.7% in 2022 to 22.4% in 2023, gross profit decreased 7.3% due to the lower revenue in both divisions driven by the lower freight rates and lower volumes.

Timely cost measures and positive DKK 49 million impact from the AGL earn-out provision release, supported the Group to deliver an operating margin of 7.6%, 0.2 percentage points higher than in 2022.

Condensed income statement (DKKm)

	2023	2022
Net revenue	8,338	10,224
Direct costs	-6,472	-8,212
Gross profit	**1,866**	**2,012**
Other external expenses	-171	-253
Staff costs	-842	-779
Adj. EBITDA	**853**	**980**
Amortisations and depreciations	-223	-222
Adj. EBIT	**630**	**758**
Gross margin	22.4%	19.7%
Operating margin	7.6%	7.4%
Conversion ratio	33.8%	37.7%

Full-year growth components (%)

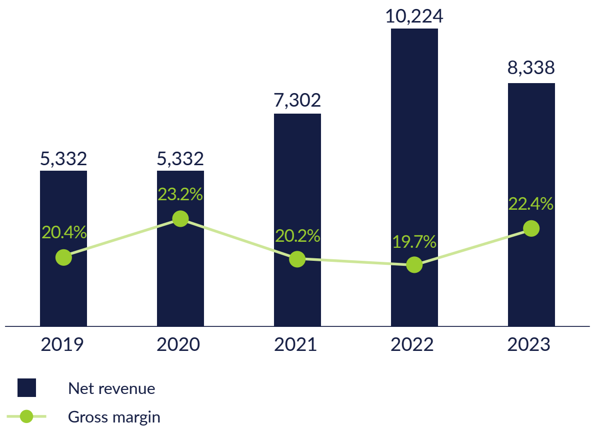
	Net revenue				Gross profit				Adj. EBIT			
	Organic	Acquisitions	Currency	**Total growth**	Organic	Acquisitions	Currency	**Total growth**	Organic	Acquisitions	Currency	**Total growth**
Total	-20.3%	3.7%	-1.8%	-18.4%	-11.3%	5.6%	-1.6%	-7.3%	-18.0%	2.8%	-1.7%	-16.9%
Road & Logistics	-8.6%	0.8%	-1.9%	-9.7%	-4.6%	2.0%	-1.5%	-4.1%	-13.6%	0.9%	-1.5%	-14.2%
Air & Ocean	-44.6%	9.8%	-1.6%	-36.4%	-27.8%	14.7%	-2.1%	-15.2%	-29.0%	7.5%	-2.3%	-23.8%

Full-year growth components (DKKm)

	Net revenue				Gross profit				Adj. EBIT			
	Organic	Acquisitions	Currency	**Total growth**	Organic	Acquisitions	Currency	**Total growth**	Organic	Acquisitions	Currency	**Total growth**
Total	-2,080	381	-187	-1,886	-225	112	-33	-146	-136	21	-13	-128
Road & Logistics	-586	52	-134	-668	-68	29	-21	-60	-74	5	-8	-77
Air & Ocean	-1,494	329	-53	-1,218	-157	83	-12	-86	-62	16	-5	-51

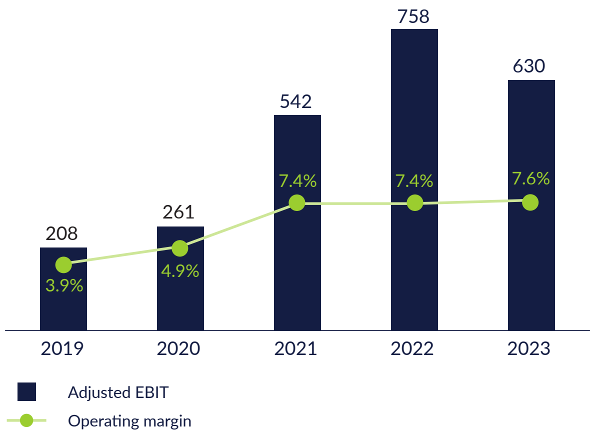
Net revenue and Gross margin*

(DKKm)



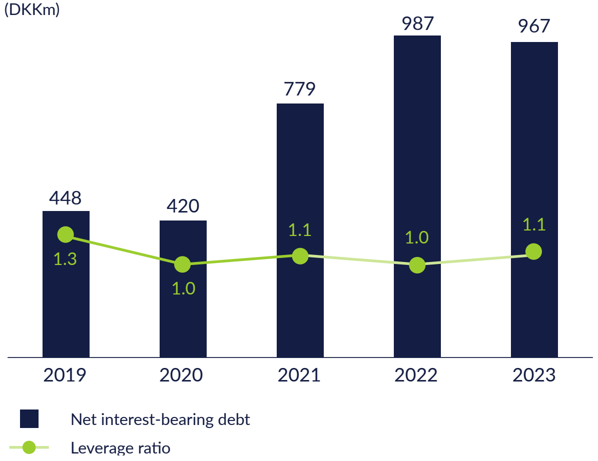
Adjusted EBIT and Operating margin

(DKKm)



Net interest-bearing debt and Leverage ratio

(DKKm)



* Comparative figures for 2019 and 2020 are not restated with the accounting practice change on terminal-related costs, reflected in the figures for 2021 and onwards. Refer to note 1.1 in NTG's 2022 Annual Report for further information.

Adjusted free cash flow for 2023 was DKK 389 million, equal to a decrease of DKK 325 million compared to 2022, mainly driven by the softer market conditions impacting the operating profit, however, remains supplemented by positive working-capital effects from improved focus on the cash-conversion cycle.

ROIC landed on 32.0% from 46.0% in 2022 driven by the decrease in adjusted EBIT as well as the full-year impact of the AGL acquisition reflected in the average invested capital for 2022 and 2023.

Special items expenses of DKK 11 million primarily reflects integration efforts during the year related to the integration of LGT and AGL as well as general expenses related to other merger and acquisition activities.

The Group's leverage ratio (NIBD over EBITDA including effects of IFRS 16) increased from 1.0x to 1.1x due to an EBITDA decrease of 13.0% partly offset by the NIBD reduction of 2.0%.

Segment reclassification

Three entities in France, Hungary and Switzerland have been reclassified from the Air & Ocean segment to the Road & Logistics segment with effect from 1 January 2023. The reclassification was made to better reflect the actual allocation of Management responsibility. Figures for the comparison period have been restated accordingly for 2022. For further information, reference is made to note 2.1.

Income

Net revenue totalled DKK 8,338 million in 2023 (2022: DKK 10,224 million), corresponding to a growth of negative 18.4%. Organic growth was negative 20.3%, driven by challenging market conditions, after the extraordinary circumstances in 2022, resulting in a general decline in freight prices and a decrease in volumes. Acquisition growth was 3.7%, mainly driven by the full-year effect of the of the AGL acquisition in May 2022 and to a lesser extent the Solida acquisition in Sweden and the Kontinent acquisition in Norway. Currency fluctuations had an impact of negative 1.8% mainly related to the SEK and USD exposure.

NTG experienced negative growth in all its largest geographical markets, mainly driven by Germany (39.7%), USA (33.3%), Finland (28.3%), Sweden (15.5%), and Denmark (6.5%). Other geographies generally also showed decrease in revenues due to the changed market environment across markets.

The Road & Logistics division contributed a total growth of negative 9.7%, driven by total organic growth of negative of 8.6%, acquisition growth of 0.8%, and currency-translation impact of negative 1.9%.

The Air & Ocean division contributed a total growth of negative 36.4%, driven by total organic growth of negative 44.6%, acquisition growth of 9.8% due to the full-year effect of the AGL acquisition in 2022, and currency-translation impact of negative 1.6%.

Gross profit totalled DKK 1,866 million in 2023 (2022: DKK 2,012 million), providing a gross margin of 22.4% (2022: 19.7%). The lower freight rates and lower volumes drove the decrease in gross profit as well as the higher gross margin due to the pass-through effects on revenue.

Other external expenses totalled DKK 171 million in 2023 (2022: DKK 253 million). The decrease was mainly affected by the provision release of DKK 49 million related to the AGL earn out and general cost measures to safeguard operating profitability.

Staff costs totalled DKK 842 million in 2023 (2022: DKK 779 million). The increase was mainly due to the full-year effect of the AGL acquisition, acquisitions of Solida and Kontinent, and to a lesser extent from an upward pressure on wages compared to 2022.

Amortisation and depreciation totalled DKK 223 million in 2023 (2022: DKK 222 million). The development was flat and mainly comprised of depreciation of right-of-use assets.

Adjusted EBIT (EBIT before special items) totalled DKK 630 million in 2023 (2022: DKK 758 million) providing an operating margin of 7.6% (2022: 7.4%). Compared with 2022, the adjusted EBIT of the Road & Logistics division decreased by DKK 77 million (14.2% decrease), whereas the adjusted EBIT of the Air & Ocean division decreased by DKK 51 million (23.8% decrease) incl. the positive DKK 49 million impact from the AGL earn-out provision.

Non-controlling interests' share of adjusted EBIT was 7.0% in 2023 (2022: 9.0%).

Special item expenses totalled DKK 11 million in 2023 (2022: DKK 29 million), mainly related to integration efforts of LGT and the CargoWise rollout in connection with the AGL integration and other merger and acquisition activities.

Net financial expenses totalled DKK 105 million in 2023 (2022: DKK 48 million). The increase was mainly caused by currency exchange rate adjustments and increased interest expenses on loan facilities.

The effective tax rate for 2023 was 20.8% (2022: 21.4%), primarily affected by non-taxable earn-out provision adjustment.

Profit for the year totalled DKK 407 million in 2023 (2022: DKK 535 million). Earnings per share was DKK 17.40 per share (2022: DKK 21.77 per share), whereas diluted earnings per share was DKK 17.21 per share in 2023 (2022: DKK 21.43 per share).

"Despite more challenging market conditions, our operating profit in 2023 remained solid thanks to our asset-light and adaptable business model."

Christian D. Jakobsen
Group CFO

Cash flow

Cash flow from operating activities totalled DKK 593 million in 2023 (2022: DKK 907 million). This decline was primarily driven by the decrease in adjusted EBIT, a favourable net working capital impact that was less pronounced than in 2022, and cash settlement of share-based payments.

Cash flow from investing activities totalled negative DKK 7 million in 2023 (2022: negative DKK 513 million). The decrease in 2023 compared to 2022 is primarily driven by the AGL acquisition.

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 389 million in 2023 (2022: DKK 714 million).

Cash flow from financing activities totalled negative DKK 573 million in 2023 (2022: negative DKK 231 million). Net cash outflow was mainly influenced by repayment of lease liabilities, purchase of treasury shares during the year, and dividends paid to non-controlling interests.

Capital resources

Net working capital totalled negative DKK 209 million as of 31 December 2023 (31 December 2022: negative DKK 165 million). A strict focus on the cash-conversion cycle across the Group continues to drive the development. Non-recourse factoring programs released DKK 95 million in net working capital as of 31 December 2023 (31 December 2022: DKK 26 million), resulting from a new agreement of DKK 85 million in 2023 offset by a phase-out impact of negative DKK 16 million from previous agreements.

Net interest-bearing debt totalled DKK 967 million as of 31 December 2023 (31 December 2022: DKK 987 million). Excluding the effects of IFRS 16, net interest- bearing debt would total DKK 103 million (31 December 2022: DKK 201 million). NIBD is mainly affected by the decrease in the AGL earn-out provision of DKK 49 million offset by increasing leasing debt. The leverage ratio including effects of IFRS 16 was 1.1x EBITDA before special items.

Invested capital totalled DKK 1,979 million as of 31 December 2023 (31 December 2022: DKK 1,956 million). Excluding the effects of IFRS 16, invested capital would total DKK 1,162 million (31 December 2022: DKK 1,220 million). Return on average invested capital before tax, but including goodwill and effects of IFRS 16, was 32.0% in 2023 (2022: 46.0%).

Road & Logistics

The Road & Logistics division reported an adjusted EBIT of DKK 467 million in 2023 compared to DKK 544 million in 2022 equal to a negative growth of 14.2%. The financial results for 2023 were impacted by softer market conditions driving both the lower freight rates and volumes as well as a more challenging environment on the spot market.

Condensed income statement

(DKKm)	2023	2022
Net external revenue	6,212	6,880
Gross profit	**1,386**	**1,446**
Amortisations and depreciations	-205	-204
Adj. EBIT	**467**	**544**
Gross margin	22.3%	21.0%
Operating margin	7.5%	7.9%
Conversion ratio	33.7%	37.6%

Countries with subsidiaries

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

46
Operational subsidiaries

17
Countries with local presence

75%
Share of Group revenue

1,480
Number of employees

“Our unwavering commitment is to seize opportunities, foster collaboration, and drive organic and acquisitive growth in an evolving and increasingly competitive landscape.”

Jesper E. Petersen
CEO Road & Logistics

In a demanding year, the Road & Logistics division contended in a market characterised by some degree of oversupply and lower volumes for both domestic and cross-border transports throughout Europe. The Road & Logistics division responded by reducing spot market capacity and intensifying sales efforts. In 2023, NTG also merged four Swedish entities into one and decided to combine three Danish subsidiaries in one single company. Both strategic moves aligned with NTG's long-term vision.

Market highlights

2023 was a challenging year, influenced by various factors. Elevated interest rates, fluctuating consumer confidence, and enduring macroeconomic headwinds significantly impacted the market. Throughout the year, demand continued to weaken, and the normal seasonal uptick towards the end of the year remained largely absent.

The supply-side pressure prevalent in 2022 eased during 2023, resulting in a weakened and progressively more challenging spot market to navigate.

Throughout the year, Continental Europe was a story of two tales. The eastern part of continental Europe saw relatively stable demand and market conditions, while western continental Europe, on the other hand, initially experienced more headwinds but started to slowly recover over the course of the year. In the Nordic region, markets were characterised by muted demand, most notably in Finland where a weak economic outlook led to slow down across the transportation industry.

The implications of the geopolitical unrest along with muted consumer spending patterns are likely to maintain current activity levels in the beginning of 2024.

Towards the close of 2023 and into 2024, a series of greenhouse gas emission initiatives were or are scheduled for implementation.

On 1 December 2023, changes to the German MAUT regulation took effect, increasing truck tolls based on CO_2 emissions, among others. Similar changes are also expected to be introduced in other countries, including Denmark, Austria, Hungary, Switzerland, and the Czech Republic.

Case: Four Swedish NTG Road entities join forces; introducing NTG Road AB

Background

In the pursuit of continuous progress, NTG carefully assessed the strategic direction of its Swedish road organisation. The aim was to sustain the positive trajectory by consolidating services and processes into a convenient one-stop-shop for road freight services to and from Sweden, foster increased collaboration, and promote an appealing workplace for current and future talents.

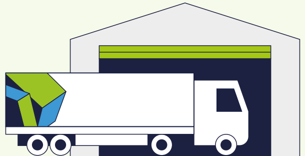
Considerations

The considerations centred around key objectives that align with NTG’s long-term vision and growth aspirations, including:

- One-Team-Identity: Promote unity and shared purpose for better outcomes.
- One-Stop-Shop: Cultivates stronger and more efficient partnerships with customers.
- Commercial Development: Strengthen NTG’s market position in the Swedish market.
- Operational Synergies: Drive optimisations through consolidation and collaboration.
- Platform for Acquisitions: Establish a strong foundation for future growth.

Outcome

Based on comprehensive analyses, a merger of NTG Continent AB, NTG Solution AB, and NTG Cargorange AB with NTG East AB was concluded, renamed NTG Road AB. The merger cements NTG’s position as a competitive force in the Swedish road freight market, offering comprehensive services and emphasising unity, efficiency, and growth. The merger was officially completed on 6 October 2023.



Starting January 2024, the European Union's Emissions Trading System (ETS), intended to limit the emissions, will be extended to cover CO_2 emissions from all large ships entering ports within the European Union.

The tax and toll adjustments, over which NTG has no control, are expected to affect the pricing and margins of transport services in 2024 through increased transportation cost and related surcharges by hauliers, ferry operators, and other market participants.

Business highlights

In 2023, the spot market encountered substantial softness. In response to the market situation, we deliberately reduced our transport capacity, thus shifting focus to procuring capacity in the ad-hoc market instead to capitalise on reduced prices.

Despite challenges in the spot market, the contract market showcased resilience, driven by logistics managers prioritising long-term perspectives and security of supply over short-sighted price optimisation.

The strategic decision to adjust capacity led to a decrease in revenue from selling capacity on the ad-hoc market. However, the contract business' resilience, combined with an increased level of ad-hoc procurement of capacity supported an upward trend in gross margins.

Sales efforts were intensified to gain further contract business, resulting in the acquisition of new customers in key geographies, but revenue growth was offset by lower volumes and price pressure.

Despite challenging markets, the division maintained its resilience in 2023 by adjusting capacity to market conditions and leveraging its ability to adapt to the ever-changing landscape for road transports.

The warehousing logistics market remained healthy throughout 2023, providing new opportunities for the division.

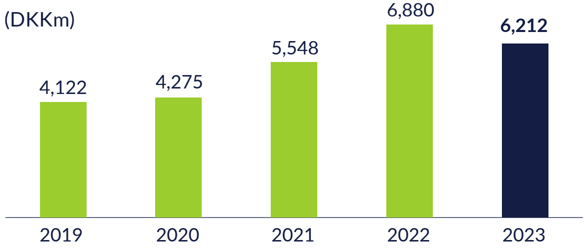
During 2023, NTG reassessed the strategic direction of its Swedish road organisation. The review resulted in NTG merging four of the largest Swedish entities including NTG Continent, NTG Solution, NTG Cargorange, and NTG East, to form a single entity for international road transport services in Sweden: **NTG Road AB**.

Following a successful combination of the Swedish road entities, a merger involving the three Danish entities NTG Continent A/S, NTG Nordic A/S, and NTG East A/S was decided, establishing a single, unified company: **NTG Road A/S**. The merger is expected to be completed on 1 April 2024.

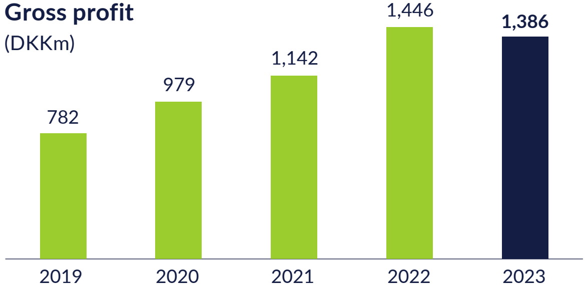
The strategic initiatives align with NTG's long-term vision for growth in mature markets, by incubating start-ups and transitioning them into a more established corporate environment over time.

On 15 December, NTG signed an agreement to acquire 75% of the shares in RTC Transport A/S, a Danish company specialising in home deliveries of furniture and domestic appliances as well as value added services including carry-ins, installations, and return handling. Closing of the transaction occurred on 14 February 2024.

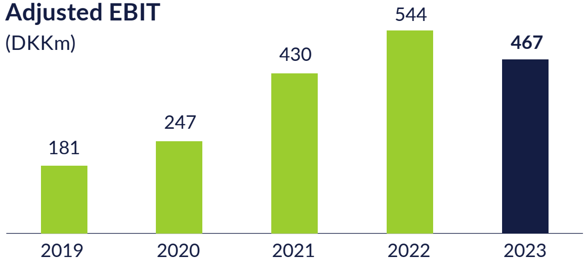
Net revenue
(DKKm)



Gross profit
(DKKm)



Adjusted EBIT
(DKKm)



* Comparative figures for 2019-2021 have not been restated following segment reclassification. Refer to note 2.1 for further information.

Financial review

Net revenue totalled DKK 6,212 million in 2023 (2022: DKK 6,880 million), corresponding to a growth of negative 9.7%. Organic growth was negative 8.6%, mainly driven by reduced spot activity and prices as well as lower fuel prices, whereas the acquisition growth was 0.8% from full-year effects from acquisitions in 2022. Currency fluctuations affected negatively by 1.9%.

Gross profit totalled DKK 1,386 million in 2023 (2022: DKK 1,446 million). Downward pressure on freight rates had a positive effect on gross margin to 22.3% in 2023 (2022: 21.0%) due to less pass-through revenue. Adjusted EBIT totalled DKK 467 million (2022: DKK 544 million), the decrease was mainly driven by gross profit and the challenging market environment.

Focus areas for 2024

In 2024, the commitment to expanding market share will persist, with a primary emphasis on securing new contract-based business.

To maximise the division's scale and reach, the year ahead will witness intensified efforts to encourage cross-sales and foster increased collaboration across various entities and geographical regions.

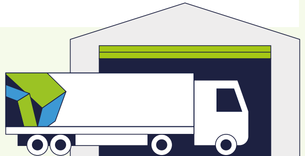
The division's strategic focus on new start-ups and acquisitions will continue as a prominent theme, and it remains vigilant in monitoring the market for potential opportunities. If suitable individuals are identified, the division remains open to onboarding new partners in start-up ventures.

In the year 2024, the consolidation of two additional Danish road entities is anticipated, as NTG Frigo A/S and NTG Frigo East ApS join forces to establish a singular, strong point of contact for temperature-controlled logistics services throughout Europe.

Anticipated price increases for transport services are expected in 2024 due to the tax and toll hikes associated with the German MAUT and European ETS.

We offer tailored road freight and warehousing solutions across Europe

Full-loads	Recycling
Part-loads	Furniture
Groupage	Textiles
Oversized cargo	Sensitive and regulated goods
Projects	Dangerous goods
Temperature controlled	Warehousing
High-tech	Distribution
Automotive	Customs brokerage
Powder	Express service



Air & Ocean

The Air & Ocean division reported an adjusted EBIT of DKK 163 million in 2023 compared to DKK 214 million in 2022 equal to a negative growth of 23.8%. The financial results for 2023 were impacted by challenging market conditions with declining freight rates and volumes impacted by the extended destocking cycle.

Countries with subsidiaries

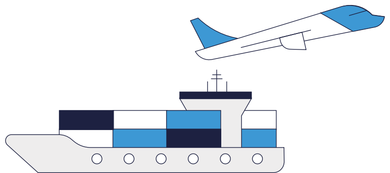
China
Czech Republic
Denmark
Finland
Germany
Hong Kong
Japan
Netherlands
Norway
Poland
Sweden
United Kingdom
United States

15
Operational subsidiaries

13
Countries with local presence

25%
Share of Group revenue

412
Number of employees



Condensed income statement

(DKKm)	2023	2022
Net external revenue	2,126	3,344
Gross profit	**480**	**566**
Amortisations and depreciations	-18	-18
Adj. EBIT	**163**	**214**
Gross margin	22.6%	16.9%
Operating margin	7.7%	6.4%
Conversion ratio	34.0%	37.8%

"In a market characterised by strong competition, we will vigorously safeguard and pursue existing and new business opportunities by emphasising local proximity and a focus on customer service."

Søren Holck Pape
CEO Air & Ocean

In 2023, the Air & Ocean division faced more challenging market conditions. By placing emphasis on sales and cost-saving initiatives, and launching a new start-up, the division continued focus on product differentiation, purchasing power, and optimisation of scale and workflows. Although 2024 is expected to present more challenges, the division remains resolute in its commitment to sustaining its geographical expansion.

Market highlights

Freight rates maintained a declining trend throughout 2023, testing levels at or below pre-COVID levels. The extended destocking cycle and adverse macroeconomic environment negatively impacted volumes.

A portion of the activity decline was attributed to the shift from consumption of merchandise to services, which took manufacturers, wholesalers, and retailers off guard, leading to excess inventories. While an ongoing destocking cycle contributed to the volume slowdown, some signs of stabilisation in North America were noted towards the end of the year. Alongside reduced demand, 2023 also experienced significant amounts of new freight capacity coming online, adding to the pressure on especially container freight rates. With reduced volumes and an influx of new supply, the market was set for a correction.

On the regulatory side, the European Commission decided not to extend the EU legal framework in October 2023, which exempts liner shipping consortia from EU antitrust rules, also referred to as the Consortia Block Exemption Regulation or CBER, with effect in April 2024. While the impact of the decision remains to be seen, it may complicate the management of potential overcapacity in 2024, when volumes are expected to linger at low levels.

Business highlights

The Air & Ocean division was challenged by adverse market conditions following two years of extraordinary circumstances. The division responded with a strong focus on sales, particularly within the small-and-medium-sized enterprise segment and continued to adjust its cost base to align with the demanding market conditions.

New offices were opened in Aalborg, Denmark, Detroit and Indianapolis, USA, and Leeds, England to promote local presence and incremental sales, and new managing directors were introduced in the Netherlands and the UK as part of the division's ordinary succession plan.

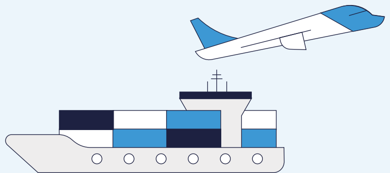
The division experienced challenges due to Management in Germany leaving the company. A restructuring process of the German

Case: Introducing new Transport Management System

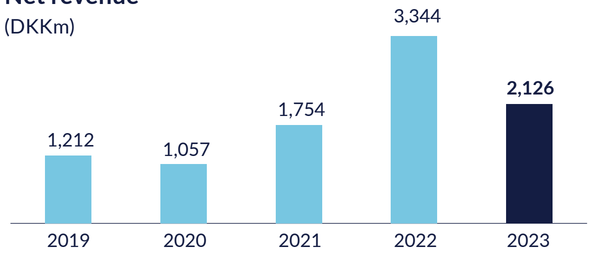
In connection with the acquisition of AGL in 2022, NTG decided to introduce a new Transport Management System in the Air & Ocean division. The first company was migrated in March 2023 and the rollout is expected to be finalised in June 2024.

The introduction of CargoWise as the new Transport Management System in the Air & Ocean division aims to globally standardise operational processes, fostering consistency and efficiency. This initiative focuses on enhancing data quality and information sharing for swift decision-making. The improved data quality serves as a foundation for automation, freeing up freight forwarders for high-value tasks and promoting a culture of continuous improvement for ultimate benefit of our customers and their supply chains.

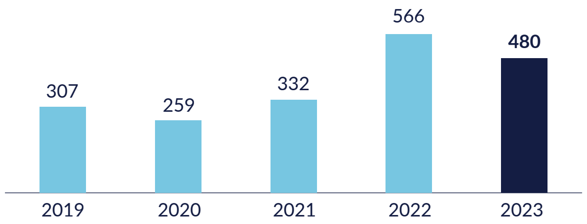
Additionally, the system ensures compliance with international regulations and industry standards. It enables seamless integration with key stakeholders, streamlining processes and strengthening relationships. In the realm of mergers and acquisitions, the IT system expedites integration, ensuring operational consistency and enhancing due diligence through high data quality. Overall, it strategically aligns with our goals, driving efficiency, compliance, and excellence across our operations.



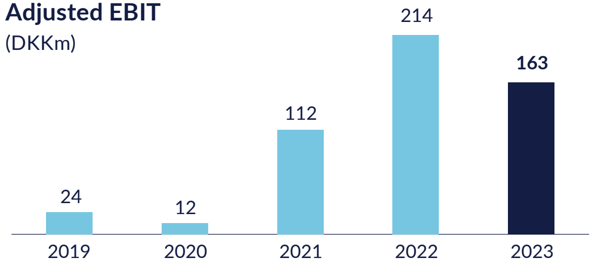
Net revenue
(DKKm)



Gross profit
(DKKm)



Adjusted EBIT
(DKKm)



* Comparative figures for 2019-2021 have not been restated following segment reclassification. Refer to note 2.1 for further information.

organisation is ongoing and expected to be finalised in Q2 2024. To enhance the division's financial stability, various measures to streamline operations were implemented. The actions included hiring freezes for all but salespeople and organisational adaptations to the current market environment.

In 2023, the Air & Ocean division also initiated the roll-out of a new transport management system. Denmark, Sweden, Norway, United Kingdom, China, Germany and the Netherlands were onboarded in 2023. In 2024, Finland, USA, Poland, Turkey, Czech Republic, and Japan will be onboarded. The migration is expected to be finalised in June 2024. In December 2023, the Air & Ocean division established a new start-up, NTG Supply Chain Solutions, focusing on North American inbound supply chain solutions. The start-up, headquartered in Indianapolis in the US, specialises in program-based consolidations to support international automotive and other clients in optimising logistics spend. The new start-up will work closely together with NTG's existing US and German organisation to further penetrate the American market.

Financial review
Net revenue totalled DKK 2,126 million in 2023 (2022: DKK 3,344 million), corresponding to a growth of negative 36.4%. Organic growth was negative 44.6%, mainly from declining freight rates and volumes impacted by the extended destocking cycle. The acquisition growth was 9.8% due to full-year effect of the AGL acquisition in May 2022. Currency fluctuations affected negatively by 1.6%.

Gross profit totalled DKK 480 million (2022: DKK 566 million). The adverse impact from declining freight rates had a positive effect on gross margin ending at 22.6% in 2023 (16.9% in 2022). Adjusted EBIT totalled DKK 163 million (2022: DKK 214 million), the decrease was mainly driven by the decrease in gross profit partly offset by an earn-out provision release related to the AGL acquisition.

Focus areas for 2024
Following a record surge in capacity entering the market in 2023, 2024 is poised to continue this trend. Alongside the European Commission's choice not to extend the CBER, the introduction of substantial new fleet deliveries may contribute to capacity surpluses continuing to weigh on transpacific and transatlantic sea freight rates in 2024.

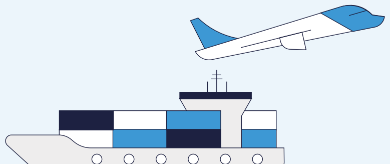
In recent years, the challenging market conditions characterised by intense price competition have prompted a shift in focus towards enhancing sales efforts and aggressively pursuing the expansion of trade lanes. This strategic move aims to seize the opportunities for value creation on both ends of a trade transaction.

We maintain an ongoing commitment to engaging in the creation of new start-up ventures with highly skilled individuals from the industry who possess the local market knowledge and network required to successfully enter new or further penetrate existing markets.

Similarly, acquisitions remain an integral part of the division's growth strategy with a continued focus on increasing volumes and adding scale.

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

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



Corporate matters

Comprehensive compliance and governance systems and robust risk management are crucial elements to navigate a complex context.

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.

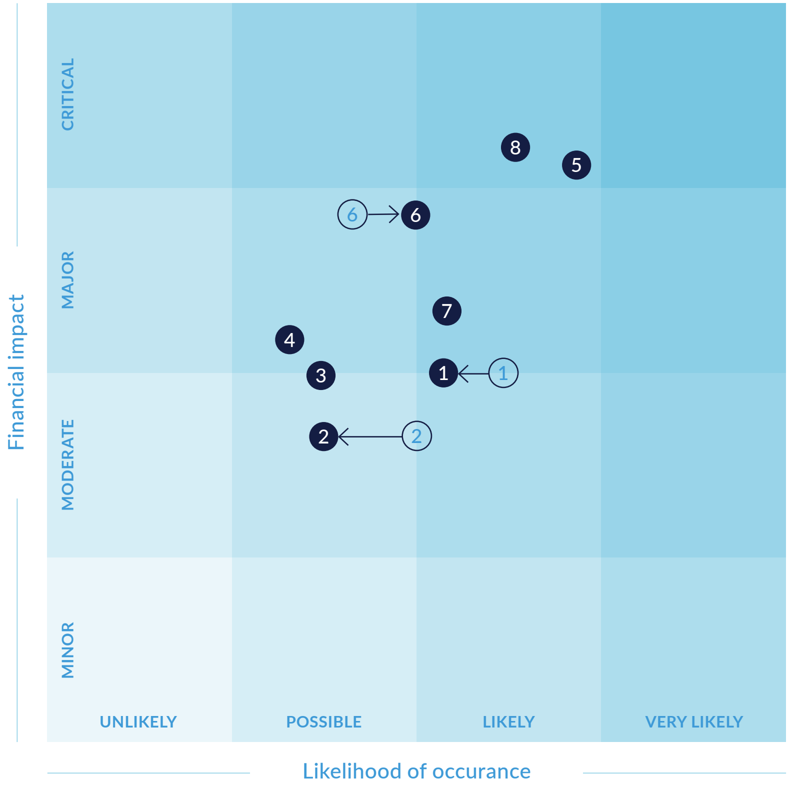
4) Risk reporting: Key risks and mitigating actions are reported in accordance with the risk governance structure.

Key risks

As a result of our risk management process, we have classified eight risks as key risks to NTG.

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
2 Input factor shortage
3 Compliance
4 IT and cyber security
5 Macroeconomics
6 Market conditions
7 Mergers and acquisitions
8 Geopolitics

2023 2022

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
Since 2022, the job market has cooled down, and it has, generally, become easier to recruit employees.
It is a challenge to attract the more experienced employees in the countries, where NTG is not yet as known an employer in the market. Here, our partnership model is a strong driver for attracting the more senior employees.
Compared to last year, this risk has moved down in likelihood due to the general cooling down of the job market, but it remains a key risk both in terms of financial impact and likelihood in relation to attraction and retention of experienced talent.

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
NTG's flexible and adaptive staff has in prior years 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 2023, the capacity situation has turned, and we have experienced excess supplier capacity in both R&L and A&O. In the short term, we therefore do not expect to be challenged by capacity constraints.
In the long term, it is a more structural challenge to the overall R&L market to ensure enough haulier capacity to be prepared for a market volume increase, if the overall pool of hauliers does not grow.
Generally, A&O has a lower likelihood of capacity shortage, and market research indicates that air and ocean carriers get excess capacity in the near term.
Thus, the overall likelihood of input factor shortage has decreased compared to 2022. In the long term, we still consider input factor shortage as a key risk, especially in the R&L segment.

3 Compliance

Category: Operational

Likelihood:

Financial impact:

Risk description
As a public listed company with international activities, NTG is subject to extensive regulatory requirements, and compliance with relevant legislation and regulatory standards is imperative for us.
The cross-border transports of our road business are subject to Danish and EU mobility regulations. New restrictions in such regulation can have a material cost impact, and potentially skew competitiveness between different countries.
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, GDPR mapping tool, mandatory compliance training for employees, Supplier Code of Conduct, due diligence, processes for monitoring the compliance risks across our subsidiaries, and our whistle-blower system.
NTG is monitoring mobility regulation and is prepared to consider how and from where the impacted activities will have to be operated if mobility regulation puts limitations to the free mobility.
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
Compared to 2022, the compliance landscape has been relatively stable.
We experience an increased compliance awareness from customers and other stakeholders. We expect the interest to further increase going forward when large customers start implementing the Corporate Sustainability Reporting Directive (CSRD), which amongst others involve a greater level of supply chain due diligence.
Based on our mitigating actions, systems and processes, the likelihood of a material compliance breach is still relatively low, and the risk level is unchanged compared to 2022.

● 2023 ○ 2022

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.

Being highly digitised, NTG's operations are dependent on our IT systems. 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 as well as our progress towards NIS 2 compliance.

NTG's IT department regularly tests our cyber security resilience, including with the assistance of cyber security specialists. NTG continuously adds new cyber security measures and protections to our IT platform.

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

It is high priority to integrate acquired businesses on to the common IT platform to reduce exposures and vulnerabilities, and all acquired entities are soon fully onboarded.

A generally increasing activity from IT criminals drive a still higher likelihood of an adverse event in relation to IT and cyber security, and we also experience more approaches from potential intruders than earlier. Despite this, we assess that our further mitigating actions taken in 2023 brings down the overall cyber security risk to the same level as last year.

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.

Risk assessment

In 2023, the macroeconomic development has driven a lack of growth in economic activity.

On one hand, unemployment rates stayed low, inflation rates decreased, and consumer confidence improved compared to 2022. On the other hand, effective interest rates have increased materially in Europe and the US for consumers and businesses, and countries start to see increasing yields on government debt. Just now, we are starting to face the financial impact from decreased or postponed investments and the slowdown in the construction industry and related industries.

The macroeconomic situation in central Europe has created increased import/export imbalances between the Continent and the Nordics.

Based on the above, both the likelihood and financial impact of this risk remain high as we are still likely to experience a recession period.

However, on the back of strong financial performance and a solid financial position, NTG is ready to seize opportunities that may arise.

2023 2022

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 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. A strict focus on system standardisation and monitoring of new technologies, coupled with operational agility, position us to continually adapt our operations to market conditions.

Risk assessment

In 2023, we, as expected, experienced intensified competition and price pressure in both R&L and A&O, and customers seized the opportunity of the low freight rates to increase tender activity.

We have a strong focus on holding on to existing customers, winning new customers and maintaining our high service levels.

Based on the above, the likelihood of an adverse financial impact from increased competitive rivalry, low volumes, and longer than expected price pressure has increased, compared to 2022.

With NTG's skilled employees, financial position and operational setup, NTG has a good basis to stand through the competitive situation.

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's acquisition 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 processes, 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.

The impact from the macroeconomic slowdown and increased market competition has started to be reflected in reported figures of potential Targets, and the valuation expectation gap between Seller and Buyer has somewhat narrowed.

However, it is still a challenging market, where uncertainty in relation to forward-looking statements is high, and the cost of capital for acquisitions has increased. Therefore, the risk remains at the same level as for 2022.

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

Category: Strategic

Likelihood:

Financial impact:

Risk description

Geopolitical forces impact global trading volumes and trading patterns. In recent years, 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. Lately, the Israel and Palestine conflict has escalated, also involving outside countries, influencing trade lanes and transportation corridors, adding to the global geopolitical tensions.

Risk mitigation

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

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

Risk assessment

Since 2022, we and the markets have adapted to the Ukraine/Russia situation. However, there is still great uncertainty around the future situation. This is especially in relation to the Russia/Ukraine situation, the escalated conflict level in the Middle East, tensions between China, Taiwan and the Western world, tensions between countries involved in the South China Sea and the upcoming US presidential elections.

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 our control.

2023 2022

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 one new member was elected to the Board of Directors in 2023.

The Board of Directors currently comprises seven 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

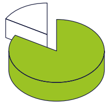
Six of the seven members of the Board of Directors are regarded as independent, according to the Danish Recommendations on Corporate Governance. Jørgen Hansen is the founder of NTG and, until 2018, a member of the Executive Management in Nordic Transport Group A/S (the former parent company of the Group). As a result, he is not regarded as independent according to the Danish Recommendations on Corporate Governance.

Board meetings in 2023

The Board of Directors held nine board meetings in 2023.

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 2023.



6 out of 7

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 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. 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. 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 2023.

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 2023.

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 of the Board of Directors 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 2023.

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 Directors. The results of the evaluation related to the Executive Management are reviewed by the Chairman together with members of the Executive Management.

Governance structure

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 and shareholdings in 2023

Board of Directors	Title	Board meetings attended	Audit Committee meetings attended	Remuneration Committee meetings attended	Nomination Committee meetings attended	Shareholding changes in 2023	Number of shares end of 2023
Eivind Drachmann Kolding	**Chair**	●●●●●●●●●	●●●●	●●	●●	Sold: 8,900 Received: 39,330*	51,951
Jørgen Hansen	**Deputy Chair**	○●●●●●●●●		●●	●●	Sold: 609,000	3,100,047**
Jesper Præstensgaard	**Board member**	●●●●●●●●●		●●	●●	Sold: 2,500 Received: 11,929*	18,674
Finn Skovbo Pedersen	**Board member**	●●●●●●●●●	●●●●			Received: 11,929*	20,529
Carsten Krogsgaard Thomsen	**Board member**	●●●●●●●●●	●●●●			-	5,294
Karen-Marie Katholm	**Board member**	●●●●●●●●●				-	4,507
Louise Knauer	**Board member**	○○●●●●●●●***				-	0

● Attended ○ Not attended

* In connection with completion of the liquidation of 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, the shares held in NTG was distributed to the individual shareholders in June 2023.

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

*** Elected at the Annual General Meeting in March 2023 and has attended all meetings since election to the Board of Directors.

Board of Directors

Eivind Drachmann Kolding
Chair

Born 1959. Danish. Male. Independent. Member and chair of the Board since 2019. Up for re-election in 2024.
Member of the Audit Committee, Chair of the Remuneration Committee and member of the Nomination Committee.

Other positions
Chair: Danmarks Skibskredit A/S, DAFA Group A/S, and MFT Energy A/S
Deputy chair: NNIT A/S, Leo Fondet, and Leo Holding A/S
Member: Altor Fund Manager AB.

Relevant skills and experience
Extensive experience in international shipping and logistics. Broad experience in M&A, IT, legal matters, and finance. Extensive, international executive management background as well as broad board experience.
Former Group CFO of A.P. Moller-Maersk and former CEO of Maersk Line and Danske Bank.

Jørgen Hansen
Deputy Chair

Born 1960. Danish. Male. Not independent. Member and deputy chair of the Board since 2019. Up for re-election in 2024.
Member of the Remuneration Committee and chair of the Nomination Committee.

Other positions
Member: H5 Housing A/S, H5 Capital A/S, 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.

Relevant skills and experience
Founder of NTG. Former Group CEO of NTG. 30+ years of experience in freight forwarding as manager and Entrepreneur.

Karen-Marie Katholm
Member

Born 1967. Danish. Female. Independent. Member of the Board since 2020. Up for re-election in 2024.

Other positions
Deputy chair: F. Uhrenholt Holding A/S
Member: Chr. Augustinus Fabrikker Aktieselskab, and Caf Invest A/S
Executive in Akzo Nobel N.V.

Relevant skills and experience
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.

Board of Directors

Louise Knauer
Member

Born 1983. Danish. Female. Independent. Member of the Board since 2023. Up for re-election in 2024.

Other positions
Member: SKAKO A/S, SKAKO Vibration Holding A/S, SKAKO Vibration A/S, Solar A/S, CC Globe Holding I ApS, CC Globe Holding II ApS, CC Mist NEW Holding II ApS, CC Fly Holding II ApS, Ferm Living ApS, Rekom Group A/S, and Rekom Group Holding ApS
Executive in Lady Invest ApS and It's a Club ApS.

Relevant skills and experience
Board experience within strategy, finance, M&A, digitisation, and data/AI/ML. Extensive international experience within organisational development, culture and succession, strategy, and company turnarounds. Managerial experience as CEO and member of executive committee in e.g. TDC. Expertise within innovation, digitisation, data/AI/ML and cyber security.

Carsten Krogsgaard Thomsen
Member

Born 1957. Danish. Male. Independent. Member of the Board since 2020. Up for re-election in 2024.
Chair of the Audit Committee.

Other positions
Member: ØU Capital A/S, SKAKO A/S, SKAKO Vibration Holding A/S, and SKAKO Vibration A/S.

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 chair of audit committee in GN Great Nordic and SKAKO.

Jesper Præstensgaard
Member

Born 1964. Danish. Male. Independent. Member of the Board since 2019. Up for re-election in 2024.
Member of the Remuneration Committee and the Nomination Committee.

Other positions
Chair: LinerGrid ApS, Falck Formco A/S, and New York Shipping Exchange, NY, USA
Member: Værktøjscenteret ApS and Leagues ApS
Executive in Gnaske ApS, Human Acceleration ApS, Præstensgaard Holding ApS, Praestensgaard ApS, P&L Invest ApS, and Humanostics ApS.

Relevant skills and experience
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.

Finn Skovbo Pedersen
Member

Born 1955. Danish. Male. Independent. Member of the board since 2019. Up for re-election in 2024.
Member of the Audit Committee.

Other positions
Chair: Føniks A/S
Executive in Zukunft ApS.

Relevant skills and experience
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. Board experience from different companies including Marjattahjemmenes Støttefond and current chairman position at Føniks A/S.

Group Management team

Executive Management

Michael Larsen
Group CEO

Born 1976. Employed in 2011 as founding partner of the Danish subsidiary NTG Nordic A/S. Group CEO since 2020.

Other directorships
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

Christian Jakobsen
Group CFO

Born 1974. Employed in 2018.

Other directorships
Executive in: Holdingselskabet af 2. april 2019 ApS

Divisional CEOs & EVPs

Jesper Petersen
CEO Road & Logistics

Born 1961. Employed in 2016.

Søren Holck Pape
CEO Air & Ocean

Born 1977. Employed in 2021.

Peter Grubert
Executive Vice President

Born 1963. Employed in 2020.

Mathias Jensen Vinstrup
Executive Vice President

Born 1990. Employed in 2020.

Group management changes as of 1 April 2024

At his own request, Group CEO Michael Larsen will transition into a more operational role within the Road & Logistics division assuming a leadership position, focusing specifically on the Nordic and Baltic regions, projects, and M&A activities. Jesper E. Petersen will continue as CEO of the Road & Logistics division, and Michael Larsen will retain his position within Group Management.

Mathias Jensen-Vinstrup is appointed as new Group CEO, effective 1 April 2024. Mathias brings extensive experience in corporate finance, having advised on mergers, acquisitions, and equity capital market transactions prior to joining NTG in 2020.

Read company announcement

Shareholder information

Share price information

The NTG share closed at a price of DKK 294.0 per share on 29 December 2023 compared to a closing price of DKK 238.5 per share on 30 December 2022, corresponding to an increase of 23%. During the same period the Nasdaq OMX Copenhagen Large Cap index, which NTG was part of in 2023, increased by 17%. As of year-end 2023, the market capitalisation of NTG was DKK 6.7 billion, and NTG was included in the Nasdaq OMX Copenhagen Mid Cap index as per 2 January 2024.

The average daily trading volume of NTG was 33,771 shares in 2023, corresponding to an average daily turnover of DKK 11.9 million. The average daily trading volume in 2023 represents an increase of 14% compared to 2022.

Share buy-backs and dividends

On 8 March 2023, NTG announced a share buy-back program for an aggregate maximum amount of DKK 75 million, up to 250,000 shares. The program was completed on 11 April 2023. 198,315 shares in total were acquired under the program corresponding to an aggregate value of DKK 74,999,734.

On 8 May 2023, NTG announced another share buy-back program for an aggregate maximum amount of DKK 125 million, up to 350,000 shares. The program was completed on 12 July 2023. 290,694 shares in total were acquired under the program corresponding to an aggregate value of DKK 124,999,740.

On 3 August 2023, NTG announced a third share buy-back program for an aggregate maximum amount of DKK 75 million, up to 200,000 shares. The program was completed on 3 October 2023. 200,000 shares in total were acquired under the program corresponding to an aggregate value of DKK 72,535,740.

The purposes of the share buy-back program 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 2023. For further information on the capital allocation principles, reference is made to page 16.

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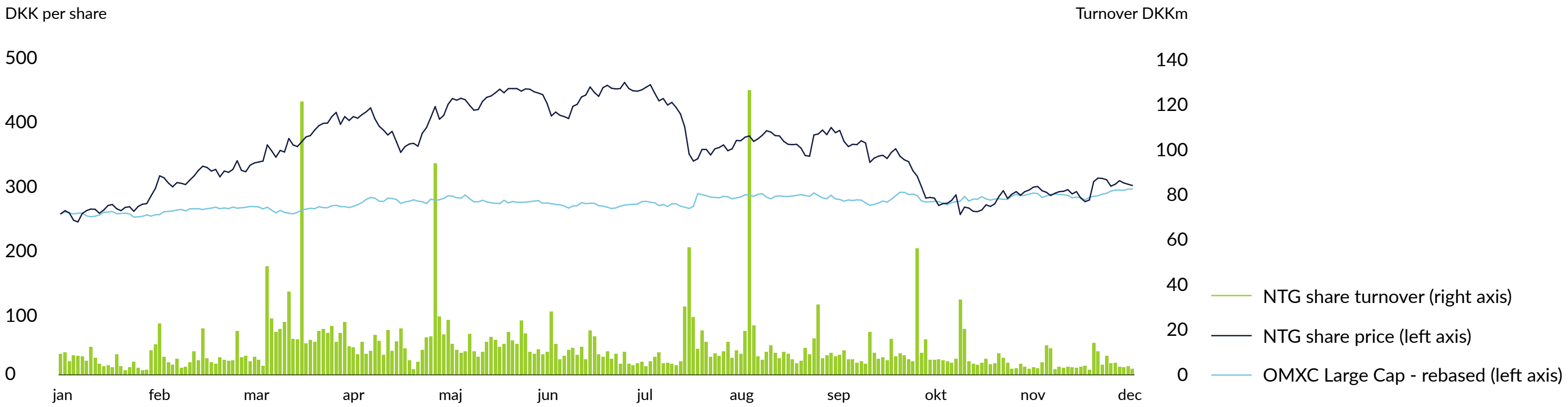
Share data

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)	1,387,472
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 6.7 billion
Share price (year-end)	DKK 294



Shareholders

As per 31 December 2023, NTG had 13,953 registered shareholders, representing 98.1% 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 more than 10% of the share capital of NTG.
- 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.

24% of the share capital of NTG is held by other key employees of NTG and its subsidiaries, also referred to as Partners.

3% 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 2023 corresponds to 6.1% of the share capital.

NTG has no majority shareholders.

Ring-the-bell

NTG's decentralised business model with 61 operational subsidiaries, some of which owned together with around 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 the seniority of their partnership participation, minority shareholders in the relevant subsidiaries may offer their shares to NTG against payment in shares in NTG or in cash. 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 acceptance by NTG.

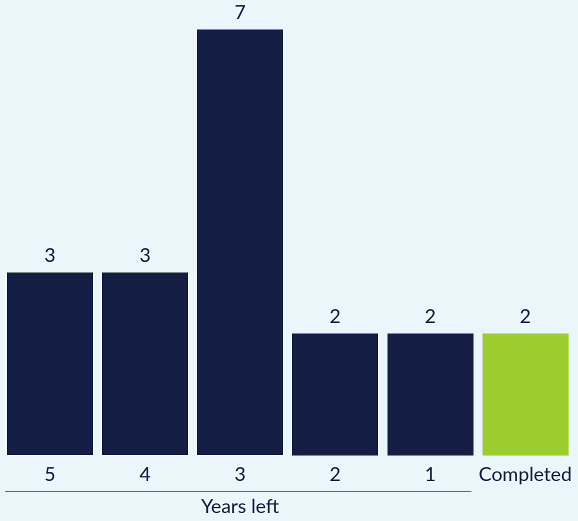
For an overview of ongoing ring-the-bell processes, please refer to the illustration on the right. The illustration depicts share swap processes by the number of years left to completion as per 31 December 2023.

In 2023, all share swaps completed, based on the financial results for 2022, were settled in shares.

The Board of Directors will decide on the continuation and initiation of the 17 ring-the-bell share swaps in total, based on the financial results for 2024, in the beginning of 2025, in accordance with the principles of NTG's ring-the-bell concept.

Overview of ongoing ring-the-bell processes

as per 31 December 2023
No.



Total number of shares

22,649,406

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.

Key employees who obtained shares in NTG through a share swap in connection with the listing of NTG, or who have 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 2023, the coordinated sales were arranged 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 10.0% of NTG's share capital at any given time, subject to the acquisition price not deviating by more than 10.0% 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 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.

As per our investor relations policy, we adhere to a silent period of four weeks before the release of our full-year, half-year, or interim financial reports. During this period, we refrain from making any public statements related to our financial performance.

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

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.

Share release from lock-up

(Number of shares, million)

Investor relations

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Financial calendar 2024

29 February
Annual Report 2023

21 March
Annual general meeting

7 May
Interim financial report Q1 2024

6 August
Interim financial report H1 2024

29 October
Interim financial report Q3 2024

Quarterly financial overview

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

Quarterly financial overview

(DKKm)	2023 FY	2023 Q4	2023 Q3	2023 Q2	2023 Q1
Total					
Net revenue	8,338	2,001	1,963	2,120	2,254
Gross profit	1,866	463	444	482	477
Adj. EBIT	630	171	161	148	150
Gross margin	22.4%	23.1%	22.6%	22.7%	21.2%
Operating margin	7.6%	8.5%	8.2%	7.0%	6.7%
Conversion ratio	33.8%	36.9%	36.3%	30.7%	31.4%
Road & Logistics					
Net revenue	6,212	1,530	1,459	1,575	1,648
Gross profit	1,386	349	329	360	348
Adj. EBIT	467	117	109	124	117
Gross margin	22.3%	22.8%	22.5%	22.9%	21.1%
Operating margin	7.5%	7.6%	7.5%	7.9%	7.1%
Conversion ratio	33.7%	33.5%	33.1%	34.4%	33.6%
Air & Ocean					
Net revenue	2,126	472	503	546	605
Gross profit	480	114	115	122	129
Adj. EBIT	163	55	52	24	32
Gross margin	22.6%	24.2%	22.9%	22.3%	21.3%
Operating margin	7.7%	11.7%	10.3%	4.4%	5.3%
Conversion ratio	34.0%	48.2%	45.2%	19.7%	24.8%

(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	6,880	1,658	1,752	1,779	1,691
Gross profit	1,446	356	355	383	352
Adj. EBIT	544	129	137	152	126
Gross margin	21.0%	21.5%	20.3%	21.5%	20.8%
Operating margin	7.9%	7.8%	7.8%	8.5%	7.5%
Conversion ratio	37.6%	36.2%	38.6%	39.7%	35.8%
Air & Ocean*					
Net revenue	3,344	838	1,069	951	486
Gross profit	566	162	178	149	77
Adj. EBIT	214	44	72	64	34
Gross margin	16.9%	19.3%	16.7%	15.7%	15.8%
Operating margin	6.4%	5.3%	6.7%	6.7%	7.0%
Conversion ratio	37.8%	27.2%	40.4%	43.0%	44.2%

* 2022 segment figures are restated following reclassification of three entities from A&O to R&L. Please refer to note 2.1. for further information.

Financial Statements

Income Statement

(DKKm)	Note	2023	2022
Net revenue	2.2	8,338	10,224
Direct costs	2.3	-6,472	-8,212
Gross profit		**1,866**	**2,012**
Other external expenses	2.4	-171	-253
Staff costs	2.5	-842	-779
Operating profit before amortisations, depreciations and special items		**853**	**980**
Amortisations and depreciation of intangible and tangible fixed assets	2.6	-223	-222
Operating profit before special items		**630**	**758**
Special items, net	2.7	-11	-29
Financial income	2.8	22	15
Financial costs	2.8	-127	-63
Profit before tax		**514**	**681**
Tax on profit for the year	3.1	-107	-146
Profit for the year		**407**	**535**
Attributable to:			
Shareholders in NTG A/S		374	482
Non-controlling interests		33	53
Earnings per share			
Earnings per share (DKK)	6.2	17.40	21.77
Diluted earnings per share (DKK) for the period	6.2	17.21	21.43

Statement of Other Comprehensive Income

(DKKm)	Note	2023	2022
Profit for the year		**407**	**535**
Items that may be reclassified to the income statement:			
Foreign exchange adjustments of subsidiaries		1	-13
Items will not be reclassified to the income statement:			
Actuarial adjustments on retirement benefit obligations	8.3	-7	42
Other comprehensive income, net of tax		**-6**	**29**
Total comprehensive income		**401**	**564**
Attributable to:			
Shareholders in NTG A/S		370	513
Non-controlling interests		31	51

Cash Flow Statement

(DKKm)	Note	2023	2022
Operating profit before special items		630	758
Depreciation and amortisations etc.		223	222
Share-based payments	8.2	-38	6
Change in working capital etc.		63	130
Change in provisions		-73	-16
Financial income received		22	15
Interest paid on leasing contracts	5.3	-37	-35
Other financial expenses paid		-90	-28
Corporation taxes paid		-96	-116
Special items	2.7	-11	-29
Cash flow from operating activities		**593**	**907**
Purchase of property, plant and equipment	5.2	-25	-10
Disposal of intangible assets, property, plant and equipment	5.2	10	5
Acquisition of business activities	7.1	-3	-492
Changes in other financial assets		11	-16
Cash flow from investing activities		**-7**	**-513**
Free cash flow		**586**	**394**

Statement of adjusted free cash flow*

(DKKm)	2023	2022
Free cash flow	586	394
Special items reversed	11	29
Acquisition of business activities reversed	3	492
Repayment of lease liabilities	-211	-201
Adjusted free cash flow	**389**	**714**

* 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	2023	2022
Proceeds from loans		-	125
Repayment of lease liabilities	5.3	-211	-201
Proceeds and repayments of other financial liabilities	4.5	-17	-19
Shareholders and non-controlling interests			
Purchase of treasury shares	6.1	-301	-98
Dividends paid to non-controlling interests	6.1	-41	-31
Acquisition of shares from non-controlling interests		-6	-35
Disposal of shares to non-controlling interests		3	28
Cash flow from financing activities		**-573**	**-231**
Cash flow for the year		**13**	**163**
Cash and cash equivalents at beginning of period		**253**	**99**
Cash flow for the year		13	163
Currency translation adjustments		10	-9
Cash and cash equivalents at 31 December**		**276**	**253**

** Cash and cash equivalents are presented in the balance sheet less bank overdrafts of DKK 0 million (2022: DKK 28 million). The cash and cash equivalents at 31 December disclosed in the cash flow statement include DKK 5 million (2022: 15 million), which are held on deposit accounts with some limitations in use.

Balance Sheet

(DKKm)	Note	31.12.2023	31.12.2022
Assets			
Intangible assets	5.1	1,377	1,392
Property, plant and equipment	5.2	74	69
Right-of-use assets	5.3	817	736
Other receivables	4.2	62	65
Deferred tax assets	3.2	36	40
Total non-current assets		**2,366**	**2,302**
Trade receivables	4.1	1,115	1,430
Other receivables	4.2	88	85
Cash and cash equivalents	4.3	276	281
Corporation tax		3	6
Total current assets		**1,482**	**1,802**
Total assets		**3,848**	**4,104**

(DKKm)	Note	31.12.2023	31.12.2022
Equity and Liabilities			
Share capital	6.1	453	453
Reserves and retained earnings		566	514
NTG A/S shareholders' share of equity		**1,019**	**967**
Non-controlling interests	7.2	78	97
Total equity		**1,097**	**1,064**
Deferred tax liabilities	3.2	13	10
Pensions and similar obligations	8.3	79	74
Provisions	5.4	1	2
Financial liabilities	4.5	228	423
Lease liabilities	4.5	668	603
Total non-current liabilities		**989**	**1,112**
Provisions	5.4	29	51
Financial liabilities	4.5	151	59
Lease liabilities	4.5	196	183
Trade payables	4.4	1,114	1,347
Other payables	4.4	208	224
Corporation tax		64	64
Total current liabilities		**1,762**	**1,928**
Total liabilities		**2,751**	**3,040**
Total equity and liabilities		**3,848**	**4,104**

Statement of Changes in Equity

(DKKm)	Share capital	Treasury share reserve	Translation reserve	Retained earnings	**Shareholders' share of equity**	Non-controlling interests	**Total equity**
2023							
Equity at 1 January	453	-16	-9	539	**967**	97	**1,064**
Profit for the year	-	-	-	374	**374**	33	**407**
Net exchange differences recognised in OCI	-	-	3	-	3	-2	1
Actuarial gains/(losses)	-	-	-	-7	-7	-	-7
Other comprehensive income, net of tax	-	-	3	-7	**-4**	-2	**-6**
Total comprehensive income for the year	-	-	3	367	**370**	31	**401**
Transactions with shareholders:							
Share-based payments	-	-	-	-38	-38	-	-38
Tax on share-based payments	-	-	-	1	1	-	1
Dividends distributed	-	-	-	-	-	-41	-41
Purchase of treasury shares	-	-16	-	-279	-295	-	-295
Acquisition of shares from non-controlling interests	-	4	-	2	6	-12	-6
Disposal of shares to non-controlling interests	-	-	-	8	8	3	11
Total transactions with owners	-	-12	-	-306	**-318**	-50	**-368**
Equity at 31 December	453	-28	-6	600	**1,019**	78	**1,097**

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**

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 2023 was approved by Executive Management and the Board of Directors on 29 February 2024 and will be presented for approval at the subsequent Annual General Meeting on 21 March 2024.

1.1 Accounting policies, estimates and judgements

The Annual Report for the period 1 January - 31 December 2023 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 2022.

The Group has implemented all new EU-approved standards, interpretations, and amendments effective on 1 January 2023. 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.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published but are not mandatory for 31 December 2023 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 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.

Notes

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 judgements
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 before 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 warehousing 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.

Segment reclassification

Three entities in France, Hungary and Switzerland have been reclassified from the A&O segment to the R&L segment with effect from 1 January 2023. The reclassification is made to better reflect the actual allocation of Management responsibility. Accordingly, comparative segment figures for 2022 have been restated, and the reclassifications are disclosed in the tables below. The restatement has no impact on depreciations and amortisations nor the consolidated NTG figures.

Impact on Road & Logistics 2022 figures from segment reclassification

	FY 2022		
(DKKm)	**Published**	**Reclass.**	**Restated**
Net revenue	6,778	102	6,880
Direct costs	-5,402	-32	-5,434
Gross profit	**1,376**	**70**	**1,446**
Operating profit before special items	**531**	**13**	**544**

Impact on Air & Ocean 2022 figures from segment reclassification

	FY 2022		
(DKKm)	**Published**	**Reclass.**	**Restated**
Net revenue	3,446	-102	3,344
Direct costs	-2,810	32	-2,778
Gross profit	**636**	**-70**	**566**
Operating profit before special items	**227**	**-13**	**214**

Notes

2.1 Segment information – continued

Accounting policies

Geographical information

The following table present information regarding the Group's geographical segments on revenue, and non-current assets, both of which are allocated according to the country in which the individual consolidated entity is based.

Net revenue per country

(DKKm)	2023	2022
Denmark	2,884	3,084
Sweden	1,440	1,705
USA	1,124	1,686
Finland	620	865
Germany	499	827
Other	1,771	2,057
Total	**8,338**	**10,224**

Non-current assets*

(DKKm)	2023	2022
Denmark	1,210	1,163
USA	531	467
Sweden	182	177
Finland	89	98
Germany	59	55
Other	259	246
Total	**2,330**	**2,206**

* Non-current assets less tax assets

	Road & Logistics		Air & Ocean		Eliminations etc.		Total	
(DKKm)	2023	2022	2023	2022	2023	2022	2023	2022
Segment revenue	6,238	6,907	2,133	3,353	-	-	8,371	10,260
Revenue (between segments)	-26	-27	-7	-9	-	-	-33	-36
Revenue (external)	6,212	6,880	2,126	3,344	-	-	8,338	10,224
**Gross Profit ** **	**1,386**	**1,446**	**480**	**566**	**-**	**-**	**1,866**	**2,012**
Amortisation and depreciations	-205	-204	-18	-18	-	-	-223	-222
Operating profit before special items	**467**	**544**	**163**	**214**	**-**	**-**	**630**	**758**
Gross margin %	22.3%	21.0%	22.6%	16.9%			22.4%	19.7%

* Total assets and liabilities for each segment is not reported because such amounts are not regularly provided to the CODM

** 2022 figures restated with reclassification between segments

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 non-material effect on the Group's consolidated revenue.

Accrued revenue and accrued costs of services in progress at 31 December 2023 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 comprise 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.

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)	2023	2022
Wages and salaries	815	770
Defined contribution pension plans	35	36
Defined benefit pension plans	3	2
Other social security costs	98	96
Share-based payment	10	6
Other staff costs	23	20
Total staff costs	**984**	**930**
Recognised in the income statement items:		
Terminal-related workers, presented as Direct costs	142	151
Other employees, presented as Staff costs	842	779
Total	**984**	**930**
Average full time employees	1,971	1,978
Number of full-time employees at year-end	1,970	2,002

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

Amortisation and depreciation profiles depend on the underlying assets (see notes 5.1, 5.2 and 5.3).

(DKKm)	2023	2022
Amortisation of intangible assets	1	1
Depreciation of tangible assets	9	11
Depreciation of right-of-use assets	214	212
Termination settlements	-1	-2
Total	**223**	**222**

In 2023, depreciation of right-of-use assets were affected by a release of an impairment resulting in an income of DKK 9 million, related to a logistic facility in Sweden.

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)	2023	2022
Transaction and integration costs from business combinations	5	12
Operational loss from disposal of business combinations	-	6
Restructuring costs	6	8
Other costs	-	3
Total	**11**	**29**

Notes

2.7 Special Items – continued

Accounting policies

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

	2023			2022		
(DKKm)	Reported income statement	Special items	Adjusted income statement	Reported income statement	Special items	Adjusted income statement
Net revenue	8,338	-	8,338	10,224	-	10,224
Direct costs	-6,472	-	-6,472	-8,212	-	-8,212
Gross profit	**1,866**	**-**	**1,866**	**2,012**	**-**	**2,012**
Other external expenses	-171	-6	-177	-253	-26	-279
Staff costs	-842	-5	-847	-779	-3	-782
Operating profit before amortisation and depreciation	**853**	**-11**	**842**	**980**	**-29**	**951**
Amortisation and depreciation	-223	-	-223	-222	-	-222
Operating profit	**630**	**-11**	**619**	**758**	**-29**	**729**
Special items, net	-11	11	-	-29	29	-
Financial income	22	-	22	15	-	15
Financial expenses	-127	-	-127	-63	-	-63
Profit before tax	**514**	**-**	**514**	**681**	**-**	**681**

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)	2023	2022
Interest income	13	5
Exchange differences	-	5
Other financial income	9	5
Total	**22**	**15**

Financial income includes interest on financial assets of DKK 13 million (2022: DKK 5 million).

Financial expenses

(DKKm)	2023	2022
Interest expense	39	15
Calculated interest on pensions plan (note 8.3)	3	2
Exchange differences	28	-
Other financial expenses	20	11
Interest on lease liabilities	37	35
Total	**127**	**63**

Financial expenses include interest on financial liabilities measured at amortised cost of DKK 96 million (2022: DKK 61 million).

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 107 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.

Based on a preliminary analysis, the vast majority of entities qualify for the transitional safe harbour, and for entities that do not qualify for the transitional safe harbour, no material impact is estimated from Pillar II taxes on the Group, if any. 2024 is the first tax year subject to the Pillar 2 rules and the exception to the accounting for deferred taxes was applied.

(DKKm)	2023	2022
Tax for the year:		
Tax on profit/loss for the year	107	146
Tax on other changes in equity	-1	12
Total tax for the year	**106**	**158**

(DKKm)	2023	2022
Tax on profit for the year:		
Current tax	104	139
Adjustment of deferred tax	6	6
Adjustment of tax from prior periods	-3	1
Total tax on profit for the year	**107**	**146**

(DKKm)	2023	2022
Parent company's income tax rate	22.0%	22.0%
Tax effect of:		
Higher/lower tax rate in subsidiaries	0.6%	0.1%
Other non-taxable items	-1.2%	-1.1%
Adjustments of tax from prior periods	-0.5%	0.2%
Revaluation of deferred tax assets and liabilities	-0.1%	0.2%
Effective tax rate	**20.8%**	**21.4%**

Notes

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)	2023	2022
Movement on deferred tax, net		
Deferred tax at 1 January	**30**	**47**
Deferred tax for the year	-6	-6
Tax on changes in equity	-2	-12
Other adjustments	1	1
Deferred tax at 31 December	**23**	**30**

Recognised deferred tax assets are mainly attributable to temporary differences relating to leasing contracts of DKK 9 million (2022: DKK 10 million), and share-based payment programs of DKK 7 million (2022: DKK 9 million).

The Group has non-recognised tax assets totalling DKK 474 million at year-end 2023 (2022: DKK 466 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 DKK 1,722 million (2022: DKK 1,722 million*) acquired from the transaction with former Neurosearch A/S. The tax value of non-recognised tax losses related to former Neurosearch A/S totals DKK 379 million (2022: DKK 379 million*). 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.

* Comparative figures have been restated to show actual utilisation for 2022

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)	2023	2022
Trade receivables	1,115	1,430
Other financial assets at amortised cost	150	150
Cash and cash equivalents	276	281

Financial liabilities (amortised cost)

(DKKm)	2023	2022
Trade and other payables	1,322	1,571
Other financial liabilities	379	482
Lease liabilities	864	786

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)	2023	2022
Trade receivables	1,174	1,493
Less provision for impairment	-59	-63
Trade receivables net	**1,115**	**1,430**

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 5 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 0 million (2022: DKK 28 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 individually immaterial positions related to short-term bank overdrafts and other borrowing arrangements outside of credit institutions.

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.

For information about financial risks, please refer to note 6.4.

Financial liabilities

	2023			
(DKKm)	**Carrying amount**	**0-1 year**	**1-5 years**	**> 5 years**
Trade and other payables	1,322	1,322	-	-
Other financial liabilities	379	151	228	-
Lease liabilities	864	196	446	222
Total, discounted	**2,565**	**1,669**	**674**	**222**
Interest	163	43	85	35
Total, undiscounted	**2,728**	**1,712**	**759**	**257**

	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**	**1,849**	**894**	**285**

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.

	2023				2022			
(DKKm)	Acquired Rights	Customer relationships	Goodwill	Total	Acquired Rights	Customer relationships	Goodwill	Total
Cost at 1 january	**2**	**7**	**1,386**	**1,395**	**2**	**-**	**857**	**859**
Aquisitions through business combinations	-	-	4	4	-	7	535	542
Currency translation adjustments	-	-	-18	-18	-	-	-6	-6
Cost at 31 December	**2**	**7**	**1,372**	**1,381**	**2**	**7**	**1,386**	**1,395**
Impairment losses and amortisation at 1 january	**2**	**1**	**-**	**3**	**2**	**-**	**-**	**2**
Amortisation for for the year	-	1	-	1	-	1	-	1
Impairment losses and depreciation at 31 December	**2**	**2**	**-**	**4**	**2**	**1**	**-**	**3**
Carrying amount at 31 December	**-**	**5**	**1,372**	**1,377**	**-**	**6**	**1,386**	**1,392**

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

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.

Notes

5.1 Intangible assets – continued

The carrying amount of goodwill at the end of the reporting date equals DKK 1,372 million. For goodwill impairment testing, a number of estimates are made. Estimates are made in connection to the development in revenues, operating profits, future capital expenditures, 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. Future net cash flows of the division are affected by market development and growth rates in these regions. Development in the gross profit generated per shipment, efforts in cost management, and improvements in internal productivity measured by the number of shipments all play crucial roles in influencing the division's cash flow.

The Air & Ocean division operates internationally, and its future cash flows are therefore exposed to developments in global trade and economy. Development in gross profit per shipment, cost management, and improvements in internal productivity impacts the cash flow of the division. Additionally, fluctuations in freight rates impacts the overall financial dynamics of the division.

Future cash flows in both divisions are also affected by the development of internal factors, such as network synergies and productivity improvements.

The expected future net cash flow is based on budgets and business plans approved by Management for the year 2024 and projections for subsequent years up to and including 2028. Projections in the budget period are derived from the Group's historical above-industry growth rates. From 2028, 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.

Goodwill impairment

	2023	
(DKKm)	**Road & Logistics**	**Air & Ocean**
Carrying amount of goodwill	740	632
Budget period		
Annual Growth	3.0%	3.0%
Operating margin	5.5%	4.5%
Terminal Period		
Growth	1.5%	1.5%
Pretax discount rate	10.2%	12.2%

	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%

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)	2023 Land & Buildings	2023 Other Fixtures and fittings, tools and equipment	2023 Total	2022 Land & Buildings	2022 Other Fixtures and fittings, tools and equipment	2022 Total
Cost at 1 January	**32**	**64**	**96**	**41**	**67**	**108**
Additions through business combinations	-	2	2	-	-	-
Additions for the year	-	25	25	-	10	10
Disposals at cost	-5	-9	-14	-9	-9	-18
Currency translation adjustments	-1	-	-1	-	-4	-4
Cost at 31 December	**26**	**82**	**108**	**32**	**64**	**96**
Impairment losses and depreciation at 1 January	**1**	**26**	**27**	**6**	**24**	**30**
Depreciation for the year	-	9	9	-	11	11
Disposals during the year	-	-4	-4	-5	-8	-13
Currency translation adjustments	-	2	2	-	-1	-1
Impairment losses and depreciation at 31 December	**1**	**33**	**34**	**1**	**26**	**27**
Carrying amount at 31 December	**25**	**49**	**74**	**31**	**38**	**69**

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)	2023	2022
< 1 year	239	218
1 - 5 years	531	471
> 5 years	257	285
Total undiscounted lease liabilities at 31 December	**1,027**	**974**

Cash flow related to leasing contracts

(DKKm)	2023	2022
Expense relating to short-term leases (included in direct costs and other external expenses)	27	24
Expense relating to leases of low-value assets that are not short-term leases (included in other external expenses)	1	2
Interest expenses on lease liabilities	37	35
Lease repayments	211	201
The total cash outflow for leases	**276**	**262**

Right-of-use assets

	2023			2022		
(DKKm)	Land & Buildings	Other Plant & Equipment	Total	Land & Buildings	Other Plant & Equipment	Total
Carrying amount at 1 January	**471**	**265**	**736**	**463**	**249**	**712**
Additions from business combinations	-	-	-	32	1	33
Additions during the period	162	188	350	86	172	258
Disposals during the period	-16	-40	-56	-10	-32	-42
Depreciations	-102	-112	-214	-81	-120	-201
Impairment	-	-	-	-9	-	-9
Currency translation adjustments	-	1	1	-10	-5	-15
Carrying amount at 31 December	**515**	**302**	**817**	**471**	**265**	**736**

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.

	2023		
(DKKm)	**Legal claims and restructuring**	**Other provisions**	**Total**
Carrying amount at 1 January	**29**	**24**	**53**
Additional provisions recognised	4	4	8
Unused amounts reversed	-8	-3	-11
Transfer to other balance sheet line items	1	-1	-
Amounts used during the year	-18	-3	-21
Currency translation	-	1	1
Carrying amount at 31 December	**8**	**22**	**30**

	2023		
(DKKm)	**Current**	**Non-current**	**Total**
Legal claims and restructuring	8	-	8
Other provisions	21	1	22
Total	**29**	**1**	**30**

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 2023, 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)	2023	2022	2021	2020	2019
Share capital at 1 January	**453**	**453**	**453**	**449**	**25**
Capital increase	-	-	-	4	424
Share capital at 31 December	**453**	**453**	**453**	**453**	**449**

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 enable swaps 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	**793,076**	**16**	**3.5%**	**189**
Ring-the-bell consideration paid	-182,928	-4	-0.8%	-77
Purchase of shares etc.	777,324	16	3.4%	294
Value adjustment				2
Treasury shares at 31 December	**1,387,472**	**28**	**6.1%**	**408**

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 2023.

Notes

6.2 Earnings per share

Share capital

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

Earnings per share

(DKKm)	2023	2022
Profit attributable to shareholders in NTG Nordic Transport Group A/S	374	482
('000 shares)		
Average number of shares	22,649	22,649
Average number of treasury shares	-1,155	-505
Average number of shares in circulation	**21,494**	**22,144**
Dilutive effect of outstanding share-based payment programs	236	345
Diluted average number of shares in circulation	**21,730**	**22,489**
Earnings per share	**17.40**	**21.77**
Diluted earnings per share	**17.21**	**21.43**

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 3.0x. This level may be temporarily exceeded immediately after significant acquisitions. The Group's leverage ratio was 1.1x at 31 December 2023.

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 policy for currency risks does generally not allow hedging.

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 linked 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%	-12
SEK/DKK	-5%	-6

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 as it is considered immaterial, 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 2023, the undrawn amount of committed credit facilities totalled DKK 525 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 2023, the Group expensed DKK 20 million on expected losses on trade receivables, corresponding to 0.24 % 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 carrying amount	Expected loss rate	Loss allowance
Not overdue	804	0.2%	2
1-30 days	246	0.5%	1
31-180 days	71	2.0%	1
181 - 360 days	14	50.0%	7
More than 360 days	39	100.0%	39
Loss allowance	**1,174**		**50**
Individual assessments			9
Loss allowance	**1,174**		**59**

At 31 December 2023 trade receivables were written down by DKK 59 million (2022: DKK 63 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 2023 reconcile to the opening allowances as follows:

Movement in allowance for doubtful trade receivables

(DKKm)	2023	2022
Carrying amount at 1 January	**63**	**33**
Additions through business combinations	-	26
Impairments realised during the year	-24	-19
Allowances for losses during the year	20	23
Carrying amount at 31 December	**59**	**63**

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.

Acquisition during the year

On 15 December 2023, NTG signed an agreement to acquire 75% of the shares in RTC Transport A/S (RTC). RTC was founded in 2006 in Brøndby, Denmark, and specialises in home deliveries of furniture and domestic appliances as well as value added services including carry-ins, installations, and return handling. RTC has a strong presence in the Danish market, from where it also serves customers with home deliveries in the southern part of Sweden.

The transaction was closed in early 2024 after approval by the Danish competition authorities, and RTC's financial performance will be consolidated into the Group from 1 February 2024.

Peter Andersen Røddik and Peter Bardrum, co-founders and sellers of the 75% stake in RTC, will continue in their current positions as CEO and COO, respectively, each retaining a 12.5% shareholding in accordance with NTG's ring-the-bell partnership model.

In addition to a fixed consideration, there is an earn-out element based on the financial performance in 2024.

Acquisitions in 2022

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 performance of AGL and NTG's existing US subsidiaries in 2022 (pro forma) and 2023. A sustained level of financial performance had resulted in earn-out payments of maximum USD 35 million. However, due to declining financial performance in 2023 compared to 2022, earn-out payments are estimated to a maximum of USD 28 million (DKK 188 million), which is recognised on 31 December 2023.

Adjusted for the fair value of acquired cash and cash equivalents of DKK 64 million, the net cash flow amounted to DKK 499 million (outflow), which includes accelerated earn-out payments of DKK 45 million and change of control payment of DKK 22 million.

Kontinent Transport and Solida Logistik

On 1 July and 1 December 2022, NTG completed the acquisition of the activities of Kontinent Transport and Solida Logistik, respectively.

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.

Notes

7.1 Acquisition and disposal of entities – continued

Consideration transferred
The total consideration transferred for both acquisitions amounted to DKK 11 million. As no cash and cash equivalents was acquired, the net cashflow amounted to DKK 11 million (outflow).

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 12 million was acquired from non-controlling interests in 2023. 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 2023:

- Continuation of the "Ring-the-bell" process in NTG Road in Finland, whereby the fourth tranche in the subsidiary was acquired by NTG.
- Continuation of the "Ring-the-bell" process in NTG Road in Poland, whereby the fourth tranche in the subsidiary was acquired by NTG.
- Continuation of the "Ring-the-bell" process in NTG Nielsen & Sørensen in Denmark, whereby the third tranche in the subsidiary was acquired by NTG.
- Initiation of the "Ring-the-bell" process in Neptun Transport in Denmark, whereby the first tranche in the subsidiary was acquired by NTG.
- Initiation of the "Ring-the-bell" process in NTG Domestics in Sweden, whereby the first tranche in the subsidiary was acquired by NTG.
- Initiation of the "Ring-the-bell" process in NTG Air & Ocean in Poland, whereby the first tranche in the subsidiary was acquired by NTG.

On 31 December 2023, no non-controlling interests in any of the Group's subsidiaries are material to the consolidated financial statements.

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 2023 follows the framework defined by the Remuneration Policy, available at investor.ntg.com, approved at the Annual General Meeting 30 March 2023. Base salary paid to Key Management personnel in 2023 totals DKK 5.0 million (2022: DKK 4.9 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 7.3 million in 2023 (2022: DKK 6.9 million). Total remuneration to the Board of Directors and Executive Management was DKK 12.2 million in 2023 (2022: DKK 11.1 million).

For the financial year 2023, 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 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)	2023	2022
Base salary	5.0	4.9
Pensions and Benefits	0.6	0.5
Short-term cash incentive	1.2	2.2
Share based payments	2.8	1.5
Executive Management Board total	**9.6**	**9.1**

Remuneration to the the Board of Directors
Total remuneration 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)	2023	2022
Fixed annual fee	2.3	1.8
Additional fixed fee	0.3	0.2
Board of Directors	**2.6**	**2.0**

Notes

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 120 employees held share options or warrants on 31 December 2023 (2022: 40 employees).

140,000 warrants and 7,000 share options were open for exercise on 31 December 2023. NTG Nordic Transport Group A/S has the right to settle share-based payment programs in either cash or shares when exercised. During 2023, 230,459 warrants were exercised at an average share price of 346. 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 2023 and 2022 is based on assumptions disclosed in the following table:

Assumptions

	2023	2022
Share price	356	260 to 377
Volatility	35.0%	22.5%
Risk-free interest rate	2.5%	0.0%
Expected dividends	0.0%	0.0%
Expected duration (years)	4.0	4.0

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 10 million (2022: DKK 6 million).

Share options program 2023, 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 2022	**650,459**	**85,500**	**735,959**	**169**
Granted	-	127,545	127,545	374
Options waived/expired	-	-16,750	-16,750	327
Outstanding at 31 December 2022	**650,459**	**196,295**	**846,754**	**197**
Outstanding at 1 January 2023	**650,459**	**196,295**	**846,754**	**197**
Granted	-	214,901	214,901	356
Exercised	-230,459	-	-230,459	139
Options waived/expired	-	-41,376	-41,376	344
Outstanding at 31 December 2023	**420,000**	**369,820**	**789,820**	**249**

Share-based payment programs

Year	Type of program	Options granted	Exercise period	Exercise price	Market value at grant date (DKKm)	Remaining duration (years)
2020	Warrants	700,000	01.10.2021-30.09.2028	172	12	1.3
2021	Share options	89,500	18.11.2023-18.11.2026	180 to 285	4	1.1
2022	Share options	127,545	05.04.2025-28.03.2028	260 to 377	8	2.3
2023	Share options	214,901	24.03.2026-24.03.2028	356	25	3.3

Notes

8.2 Share-based payment programs – continued

2023 and 2022 LTIP to Executive Management

Share options awarded under the 2023 LTIP will be granted in 2024. Pursuant to Section 5.8.5 of the Remuneration Policy, the exercise price relevant for establishing the actual number of share options granted for 2023 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 2023. Using an estimated exercise price of 293, based on the reference share price (being the average closing price in the last 10 days up to and including 27 February 2024), indicates that an estimated 29,753 options will be granted under the 2023 LTIP. The expected grant date is 15 March 2024 resulting in a 2-year exercise period starting on 15 March 2027. Options expected to be granted under the 2023 LTIP will be recognised from the grant date in 2024 and are not included in the table above.

41,445 share options with an exercise price of DKK 356 were granted in 2023 to Executive Management under the 2022 LTIP.

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)	2023	2022
Present value of pension liabilities at 31 December	161	155
Fair value of plan assets at 31 December	-82	-81
Net value of pension plans at 31 December	**79**	**74**

! 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
2023			
Discount rate	3.47%	1.50%	2.36%
Future salary increase	2.00%	2.00%	2.00%
Mortality prognosis table	RT Heubeck 2018 G	BVG 2020 GT	

	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	

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)	2023	2022
Present value at 1 January	**155**	**199**
Foreign exchange adjustment	3	6
Contributions to the plan	3	5
Expensed in the income statement	3	2
Calculated interest	5	2
Actuarial loss/(gain) change in financial assumptions	9	-15
Actuarial loss/(gain) experience adjustments	-1	-23
Benefits paid through pension assets	-16	-21
Present value at 31 December	**161**	**155**

Sensitivity analysis on reported pension liabilities

(DKKm)	2023	2022
Discount rate +0,5 %	-6	-6
Discount rate -0,5 %	7	6
Future remuneration +0,5 %	-	-
Future remuneration -0,5 %	-	-

Defined benefit plans in the Group are only related to Germany and Switzerland. The pension plan in Germany accounts for 90 % 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 2023 the Group has covered 50.9 % of the pension liability.

Fair value of pension plan assets

(DKKm)	2023	2022
Fair value at 1 January	**81**	**80**
Foreign exchange adjustment	4	5
Calculated interest	2	-
Return on plan assets in addition to calculated interest	1	-1
Contributions to the plan	6	8
Benefits paid through pension assets	-12	-11
Fair value at 31 December	**82**	**81**

Specification of plan assets

(DKKm)	2023	2022
Insurance contract	82	81
Fair value at 31 December	**82**	**81**

The expected contributions to the Group's plans for 2023 are DKK 9 million and the expected average duration of the obligations is 8.9 years.

	2023		
(DKKm)	Defined contribution plans	Defined benefit plans	Total
Staff cost	35	2	37
Financial expenses	-	3	3
Total costs recognised	**35**	**5**	**40**

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

Notes

8.4 Fees to auditors appointed at the Annual general meeting

(DKKm)	2023	2022
Statutory audit	6	5
Tax consultancy	-	1
Other services	1	-
Total fees to auditors appointed at the Annual General Meeting (PwC)	**7**	**6**

(DKKm)	2023	2022
Statutory audit	1	1
Others, total fees	**1**	**1**

Fees for non-audit services delivered by PricewaterhouseCoopers, Statsautoriseret Revisionspartnerselskab (PwC) amounted to DKK 1 million in 2023, mainly relating to sustainability related services and VAT advisory services.

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 has significant interests. 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 2023 or 2022. The Group had no outstanding balances towards related parties at 31 December 2023 or 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 2023 of:

Claims
The Group is party to legal proceedings and inquiries from authorities 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 2023, all liabilities related to bank guarantees amounted to DKK 57 million (2022: DKK 59 million) whereof DKK 31 million (2022: DKK 46 million) is already recognised in the balance sheet or described in note 4.3.

Pledges
No property, plant and equipment were pledged as security at either 31 December 2023 or 31 December 2022.

8.7 Events after the reporting period

On 19 January 2024, NTG announced a change in Group Management effective 1 April 2024.

The Board of Directors has accommodated the wish of Group CEO Michael Larsen to transition into a more operational role within the Road & Logistics division at NTG.

Jesper E. Petersen will continue as CEO of the Road & Logistics division, while Michael Larsen will assume a leadership position within the division, focusing specifically on the Nordic and Baltic regions, projects, and M&A activities. Michael Larsen will retain his position within Group Management.

Mathias Jensen-Vinstrup, the current Executive Vice President and member of Group Management responsible for M&A and Corporate Development, has been appointed as the new Group CEO. Mathias brings extensive experience in corporate finance, having advised on mergers, acquisitions, and equity capital market transactions prior to joining NTG in 2020.

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	88.6%
NTG Projects A/S ●●	Denmark	70.6%
NTG Terminals I A/S ●●	Denmark	76.8%
NTG Terminals II A/S ●●	Denmark	84.0%
NTG Ocean International A/S ●●	Denmark	85.2%
NTG Domestic A/S ●●	Denmark	71.0%
NTG Nielsen & Sørensen A/S ●●	Denmark	80.4%
NTG Frigo East ApS ●●	Denmark	67.8%
Neptun Transport A/S ●●	Denmark	83.3%
LGT Logistics A/S ●●	Denmark	89.8%
NTG Care A/S ●●	Denmark	68.0%
NTG Road AB	Sweden	100.0%
NTG Domestics AB ●●	Sweden	76.8%

Name of entity	Place of business / Country of incorporation	Ownership % by the ultimate parent company
NTG Växjö AB ●●	Sweden	86.4%
NTG Services AB	Sweden	100.0%
NTG Air & Ocean AB ●●	Sweden	77.0%
NTG Ebrex Sweden AB	Sweden	100.0%
LGT Group AB	Sweden	100.0%
LGT Base AB	Sweden	100.0%
LGT Logistics AB ●●	Sweden	92.7%
NTG Logistics AB ●●	Sweden	77.5%
NTG Continent Escrow Holding AB ●	Sweden	80.4%
LGT Åkeri AB	Sweden	92.7%
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	95.6%
NTG Air & Ocean Oy ●●	Finland	71.9%
LGT Logistics Oy	Finland	100.0%
NTG Eood	Bulgaria	100.0%
NTG Road EOOD	Bulgaria	100.0%

Name of entity	Place of business / Country of incorporation	Ownership % by the ultimate parent company
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 Road, S.L.	Spain	100.0%
Go Trans SAS	France	100.0%
NTG Customs France SAS	France	100.0%
NTG Air & Ocean (Hong Kong) Limited	Hong Kong	100.0%
Neptune Logistics (Worldwide) Limited	Hong Kong	100.0%
Go Speed Limited	Hong Kong	100.0%
Golden Ocean Line limited	Hong Kong	100.0%
NTG Gondrand Kft.	Hungary	100.0%
NTG Transport S.r.l.	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	76.0%

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
NTG Logistics B.V. ●●	Netherlands	86.0%
NTG Air & Ocean Netherlands B.V. ●●	Netherlands	82.6%
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	90.5%
NTG Air & Ocean Sp. z o.o. ●●	Poland	64.0%
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 A.Ş. ●●	Turkey	70.0%
NTG Air & Ocean A.Ş.	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	90.0%
Ebrex Business Solutions Limited	United Kingdom	100.0%
NTG Ebrex UK LTD ●●	United Kingdom	88.5%

Name of entity	Place of business / Country of incorporation	Ownership % by the ultimate parent company
Chad Holding	United Kingdom	88.5%
Twente Express Limited	United Kingdom	88.5%
NTG Air & Ocean USA, Inc. ●●	Unites States	99.8%
NTG Air & Ocean DTW LLC	United States	100.0%
NTG Air & Ocean, LLC	United States	99.8%
NTG Holding USA, Inc.	United States	100.0%
NTG Supply Chain Solutions LLC ●●	United States	77.3%
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 2023 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

		Numerator	Denominator
Gross margin	=	Gross profit x 100	Net revenue
Operating margin	=	Operating profit before special items x 100	Net revenue
Conversion ratio	=	Operating profit before special items x 100	Gross profit
Effective tax rate	=	Tax on profit for the year	Profit before tax
Return on invested capital (ROIC) before tax	=	Operating profit (EBIT) before speical items x 100	Average invested capital
Return on equity	=	Profit for the year x 100	Average equity
Solvency ratio	=	Equity at year end x 100	Total assets at year end
Leverage ratio	=	Net interest-bearing debt	Operating profit before amortisation and depreciation (EBITDA), before special items
Earnings per share	=	Profit attributable to shareholders in NTG Nordic Transport Group A/S	Average number of shares in circulation
Diluted earnings per share	=	Profit attributable to shareholders in NTG Nordic Transport Group A/S	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 2023.

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 2023 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 2023.

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 2023 with the file name NTG-2023-12-31-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, 29 February 2024

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
Louise Knauer		

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 2023 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2023 in accordance with IFRS Accounting 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 2023 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2023 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 2023 comprise income statement, balance sheet, statement of changes in equity and notes, including material accounting policy information 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 4 years including the financial year 2023.

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 2023. 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 IT controls in certain operational IT systems. Moreover, in the Air & Ocean division, a higher estimation uncertainty exists regarding 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 tested input data over Management's run-off analysis to evaluate the precision in the estimates made.

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

In addition, we applied data analysis in our testing of revenue transactions in order to identify and assess transactions outside the ordinary transaction flow.

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 and Article 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation).

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 and the disclosure requirements of Article 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation). 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 IFRS Accounting 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 2023 with the filename NTG-2023-12-31-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 2023 with the file name NTG-2023-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Hellerup, 29 February 2024

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

(DKKm)	Note	2023	2022
Net revenue	1	122	105
Other external expenses		-48	-61
Gross profit		**74**	**44**
Staff costs	2	-86	-65
Operating profit		**-12**	**-21**
Impairment of financial assets	5	-	-6
Financial income	3	331	341
Financial costs	3	-57	-25
Profit before tax		**262**	**289**
Tax on profit for the year	4	-6	4
Profit for the year		**256**	**293**
Proposed distribution of result			
Transferred to equity reserves	6	256	293
Total distribution		**256**	**293**

Balance Sheet

(DKKm)	Note	2023	2022
Assets			
Investments in subsidiaries	5	2,337	2,293
Receivables from Group companies, long-term	7	257	238
Other receivables, long-term	7	22	15
Deferred tax assets	8	8	14
Total non-current assets		**2,624**	**2,560**
Receivables from Group companies		553	717
Corporation tax, receivable		-	4
Other receivables, short term		4	4
Cash and cash equivalents		178	-
Total current assets		**735**	**725**
Total assets		**3,359**	**3,285**

(DKKm)	Note	2023	2022
Equity and Liabilities			
Share capital	9	453	453
Retained earnings		1,795	1,793
Total equity		**2,248**	**2,246**
Financial liabilities, long-term	11	326	278
Total non-current liabilities		**326**	**278**
Credit institutions		89	28
Financial liabilities, short-term		-	6
Trade payables		12	12
Payables to Group companies	10	654	690
Other payables		21	25
Corporation tax, payable		9	-
Total current liabilities		**785**	**761**
Total liabilities		**1,111**	**1,039**
Total equity and liabilities		**3,359**	**3,285**

Statement of Changes in Equity

(DKKm)	Share capital	Retained earnings	**Total equity**
2023			
Equity at 1 January	**453**	**1,793**	**2,246**
Profit for the year	-	256	256
Share-based payments	-	-38	-38
Tax on share-based payments	-	1	1
Purchase of treasury shares	-	-295	-295
Sale of treasury shares	-	78	78
Equity at 31 December	**453**	**1,795**	**2,248**

(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**

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 2023 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 2023 are presented in Danish Kroner (DKK), and all amounts have been 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 beenimpaired, 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 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.

Notes

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 become due 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 onac-count 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 recognisedin the income statement over the term of the loan.

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

1. Revenue

(DKKm)	2023	2022
Service revenue	122	105
Total	**122**	**105**

2. Staff costs

(DKKm)	2023	2022
Wages and salaries	70	55
Pensions	2	1
Share-based payments	10	6
Other social security costs and other staff costs	4	3
Total	**86**	**65**
Average number of full time employees	74	62
Full time employees at 31 December	87	71

(DKKm)	2023	2022
Hereoff:		
Remuneration to the Board of Directors	2.6	2.0
Remuneration to the Executive Management	6.8	7.6
Share-based payment, Executive Management	2.8	1.5
Executive Management remuneration total	**12.2**	**11.1**

3. Financial income and costs

(DKKm)	2023	2022
Interest received from Group companies	53	22
Exchange differences	-	30
Other financial income	10	4
Dividends received from Group companies	268	285
Total financial income	**331**	**341**
Interest paid to Group companies	15	6
Exchange differences	7	-
Other financial costs	35	19
Total financial costs	**57**	**25**
Net financials	**274**	**316**

4. Tax

(DKKm)	2023	2022
Tax for the year can be broken down as follows:		
Current tax	1	-
Adjustment of deferred tax	4	-3
Adjustment of tax from prior periods	1	-1
Total	**6**	**-4**

Notes

5. Investments in subsidiaries

(DKKm)	2023	2022
Cost at 1 January	2,362	2,381
Additions	52	1
Disposals (dividends)	-8	-20
Cost at 31 December	**2,406**	**2,362**
Impairment at 1 January	-69	-63
Impairment recognised during the year	-	-6
Impairment at 31 December	**-69**	**-69**
Carrying amount at 31 December	**2,337**	**2,293**

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 268 million was received (2022: DKK 305 million). DKK 0 million (2022: DKK 20 million) relates to dividends received where the amount exceeds the earnings during the ownership period and therefore reducing the cost.

For an overview of legal entities in NTG Nordic Transport Group A/S, please refer to note 8.8.

6. Proposed distribution of profit

(DKKm)	2023	2022
Retained earnings	256	293
Total	**256**	**293**

7. Receivables from Group companies and other receivables

(DKKm)	2023	2022
Cost at 1 January	253	258
Additions	52	49
Disposal	-25	-41
Currency translation	-1	-13
Cost at 31 December	**279**	**253**
Impairment at 1 January	-	-
Impairment at 31 December	-	-
Carrying amount at 31 December	**279**	**253**

8. Deferred tax assets

(DKKm)	2023	2022
Deferred tax assets at 1 January	14	22
Deferred tax for the year	-4	3
Tax on changes in equity	-1	-12
Other adjustments	-1	1
Deferred tax assets at 31 December	**8**	**14**

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)	2023	2022
Due in 1 year	654	690
Total	**654**	**690**

11. Financial liabilities

(DKKm)	2023	2022
Due in 1 year	-	6
Due between 1 and 5 years	326	278
Total	**326**	**284**

Notes

12. Contingent liabilities, other financial obligations and contingent assets

(DKKm)	2023	2022
Future lease payments on operating leases:		
Within 1 year	18	17
Between 1 and 5 years	54	70
After 5 years	91	109
Total	**163**	**196**

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 2023, the Company has issued parent company guarantees to subsidiaries for a total of DKK 53 million (2022: DKK 46 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 1,722 million at year end. At 31 December 2023 the non-recognised deferred tax assets associated with the tax loss carry forwards totalled DKK 379 million (2022: DKK 376 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)	2023	2022
Fees to the company's appointed auditor, PwC:		
Statutory audit	2	1
Tax consultancy	-	1
Other services	1	-
Total	**3**	**2**

15. Events after the balance sheet date

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

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Published 29 February 2024.

Business Reg. (CVR) no. 12546106

Design and production: Noted