

Consolidated Interim Report 2020 Q1 – NTG Nordic Transport Group



2020 Q1 highlights:

- The quarter is impacted by COVID-19, particularly in the Air & Ocean division.
- Revenue of DKK 1,311 million, equal to a growth rate of 2.6% compared to 2019 Q1.
- Adj. EBIT of DKK 44.9 million, resulting in an operating margin of 3.4%, a slight decrease from 3.6% in 2019 Q1.
- Guidance for the year is maintained: Net revenue of DKK 4,500-5,300 million in revenue and DKK 130-180 million in adj. EBIT.

Selected financial information

For the period 1 January 2020 to 31 March 2020

(DKK '000)	2020 Q1	2019 Q1
Net revenue	1,310,557	1,276,867
Gross profit	275,387	257,111
Adj. EBIT	44,933	45,838
Operating margin	3.4%	3.6%
Conversion ratio	16.3%	17.8%
Profit for the period	21,386	24,215

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 and its subsidiaries operates.

It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a wide range of variables, which could cause actual results to differ materially from those currently anticipated. For a description of significant risks and uncertainties identified by the Group, reference is made to the 2019 Annual Report. Any subsequent developments are reflected in this report.

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Financial Highlights

Income statement (DKK '000)	2020 Q1	2019 Q1	Balance sheet statement (DKK '000)	31/03-2020	31/03-2019
Net revenue	1,310,557	1,276,867	Additions to property, plant and equipment (excl. IFRS 16)	127	1,235
Gross profit	275,387	257,111	Balance sheet total	2,173,601	1,894,500
Operating profit before amortizations, depreciations and special items (adj. EBITDA)	85,729	79,057	Net working capital	-91,048	-41,760
Operating profit before special items (adj. EBIT)	44,933	45,838	Net interest-bearing debt	591,371	566,638
Special items, net	0	-1,756	Net interest-bearing debt, excluding IFRS 16	-28,528	-30,711
Net financial items	-11,671	-9,929	NTG Nordic Transport Group A/S' shareholders' share of equity	262,440	114,384
Profit for the period	21,386	24,215	Non-controlling interests	60,155	111,340
Cash flow statement (DKK '000)	2020 Q1	2019 Q1	Financial ratios (DKK '000)	2020 Q1	2019 Q1
Operating activities	75,855	2,931	Gross margin	21.0%	20.1%
Investing activities	-112,879	-20,493	Operating margin	3.4%	3.6%
Free cash flow	-37,024	-17,562	Conversion ratio	16.3%	17.8%
Financing activities	-47,925	-82,774	Return on equity	7.0%	11.2%
Cash flow for the period	-84,949	-100,336	Solvency ratio	14.8%	11.9%
Employees	2020 Q1	2019 Q1			
Average number of employees	1,434	1,354			

Management report

2020 Q1 was marked by the outbreak and global spread of COVID-19. NTG has been fully operational throughout the quarter, while strictly adhering to health and safety guidelines from local authorities.

Despite challenging market conditions, we increased net revenue by 2.6% compared to 2019 Q1.

Of the revenue growth, 0.3% came from organic growth and start-ups, while acquired companies contributed with 2.3%. The acquisition of Ebrex Business Solutions (Ebrex) on 27 February 2020 was the main driver behind acquired growth.

Gross margin increased to 20.1% compared to 21.0% in 2019 Q1, partly driven by the larger share of logistics activity from the acquisition of Ebrex.

Adj. EBIT for the quarter was DKK 44.9 million, compared to DKK 45.8 million for 2019 Q1, resulting in an operating margin of 3.4%, slightly below 2019 Q1 level of 3.6%.

The Road & Logistics division grew adj. EBIT from 40.1 million in 2019 Q1 to DKK 46.5 million in 2020 Q1. Operating margin increased from 4.0% in 2019 Q1 to 4.4%, positively impacted by the acquisition of Ebrex.

The Air & Ocean division faced difficult market conditions and achieved adj. EBIT of DKK -0.3 million for the quarter. The result for the division was also negatively impacted by start-ups launched during 2019.

NTG has a strict focus on managing working capital, and these efforts have been further extended under the current circumstances. Net working capital at 31 March was DKK -91 million, including a limited amount of factoring agreements in the Ebrex entities.

Cash flow from operating activities was DKK 75.9 million for 2020 Q1, positively impacted by an improvement in working capital over the quarter.

Minorities' share of adj. EBIT was 14% for the quarter, in line with our full year expectations of 11-19%.

COVID-19

During 2020 Q1 the COVID-19 pandemic started to impact cargo volumes and trade patterns as production networks and consumer demand were disrupted by measures to control the spread of the virus.

The most substantial impact was felt in the Air & Ocean division, which constitutes about 20% of NTG's net revenue. Firstly, when Chinese imports and exports slowed down in February, and secondly when the virus spread to Europe, severely impacting volumes and available freight capacity during March.

Compared to 2019 Q1 the Air & Ocean division decreased adj. EBIT by DKK 5.5 million. In addition to market conditions, start-ups were a contributing factor as they are typically hit harder by a market downturn.

The Road & Logistics division is the larger of the two divisions, constituting about 80% of NTG's net

revenue. During March, the division was impacted by challenging market conditions from shifting volumes, border restrictions and trade imbalances.

Still, the division increased revenue and adj. EBIT for the quarter compared to 2019 Q1, even excluding the acquisition of Ebrex.

Integration of Ebrex

Ebrex is specialized in road freight forwarding, supply chain solutions and warehousing, with its main geographical markets being the UK, Germany, Poland and Sweden. Its core business is transportation and storage of spare parts for the automotive after-market, with leading automotive companies as the main clients.

For 2020 Q1 Ebrex realized net revenue of DKK 90 million and adj. EBIT of DKK 8.8 million. Since closing on 27 February, Ebrex has contributed with DKK 5.0 million in adj. EBIT to NTG's 2020 Q1 results due to expected seasonality.

The integration is progressing as planned, and we expect to realize synergies of around EUR 1.5 million with full effect from 2021 Q2. No integration costs were charged under special items for the quarter.



Management report, continued

Changes to the Executive Management team

Effective from 1 May 2020, the Executive Management of NTG was restructured with the appointment of a single Group CEO.

Our new Group CEO, Michael Larsen has been with NTG since 2011. He is a founding partner and the former CEO of NTG Nordic A/S, the largest and one of the most successful companies within NTG.

Michael Larsen has served on the Board of NTG from 2019 to 2020 and has more than 20 years' experience in the freight forwarding industry.

On 17 May 2020, the contract between NTG and Mikkel Fruergaard, CEO Air & Ocean was discontinued.

The Executive Management team consists of:

Michael Larsen, Group CEO

Jesper Petersen, CEO Road & Logistics

Christian D. Jakobsen, Group CFO

Outlook

In 2020 Q1, we saw the most significant effect from COVID-19 on the Air & Ocean division, but during the second half of March, we also began to see an impact on the Road & Logistics division, though to a lesser extent. These conditions have continued through April and first half of May, and we expect

both divisions to be affected by adverse market conditions throughout Q2.

We maintain our expectations for the full year as stated in our 2019 annual report, with net revenue of DKK 4,500 million to DKK 5,300 million and adj. EBIT of DKK 130 million to DKK 180 million.

COVID-19 causes a high degree of uncertainty and unpredictability. Our expectations continue to assume a return to normal economic activity during the second half of 2020.

We will maintain a strict focus on cash conversion and take the necessary measures to safeguard our liquidity.



Road & Logistics

Most of our Road & Logistics activities are in Northern Europe, and our markets remained largely unaffected by COVID-19 in January and February. Results were in line with expectations, though these months are traditionally among the softer ones.

During March however, the conditions worsened significantly as COVID-19 spread from Asia to Europe.

Throughout our markets, production networks and the retail sector were heavily affected by lockdowns and restrictions, leading to shifts in volumes and disruptions in regular trade patterns. This created new trade imbalances between regions, which were further enhanced by borders restrictions across Europe.

Despite the challenging market conditions, the Road & Logistics division increased revenue by 4.8%, driven by solid performance among our Nordic companies, and by the acquisition of Ebrex.

Operating margin increased from 4.0% to 4.4%.

Net revenue

The Road & Logistic division achieved a net revenue of DKK 1,068 million for 2020 Q1, compared to DKK 1,019 million for 2019 Q1.

Organic growth for the quarter was 1.9%, and acquired growth was 2.9% from the acquisition of Ebrex. Our 2020 Q1 figures only include Ebrex' results for the month of March.

SELECTED FINANCIAL INFORMATION

(DKK '000)	2020 Q1	2019 Q1
Net revenue (external)	1,067,771	1,018,857
Gross profit	212,179	185,121
Adj. EBIT	46,495	40,865
Operating margin	4.4%	4.0%
Conversion ratio	21.9%	22.1%

Gross profit

Gross profit for the quarter was DKK 212 million, compared to DKK 185 million in 2019 Q1. Gross margin increased from 18.2% to 19.9%, impacted by a larger share of logistics activity from the acquisition of Ebrex.

Conversion ratio for the quarter was 21.9% in line with 2019 Q1 of 22.1%.

EBIT before special items (adj. EBIT)

Adj. EBIT for the quarter was DKK 46.5 million, compared to DKK 40.9 million for 2019 Q1, increasing operating margin from 4.0% to 4.4%.

Considering the current market environment, we are pleased with the operating margin for 2020 Q1. We expect the results for 2020 Q2 to suffer a more profound impact from COVID-19.



Air & Ocean

During February, the division experienced worsening market conditions as imports and exports in and out of China fell significantly as a result of the efforts to contain COVID-19.

In March, conditions deteriorated further as the virus spread to Europe, leading to additional decline in freight volumes and a sharp drop in air freight capacity.

Under these circumstances, net revenue for the quarter was 6.1% below 2019 Q1 with no significant contribution from acquisitions.

Operating margin decreased from 2.2% for 2019 Q1 to -0.1% for 2020 Q1.

As a response to the market development, significant cost savings were introduced towards the end of the quarter, which will be fully implemented during Q2. This includes participation in locally available government support programs.

The initiatives are a combination of short-term and long-term measures, and additional long-term savings will be pursued if current market conditions continue.

Net revenue

The Air & Ocean division achieved net revenue of DKK 243 million for the first three months of 2020, compared to DKK 258 million for the first three months of 2019.

SELECTED FINANCIAL INFORMATION

(DKK '000)	2020 Q1	2019 Q1
Net revenue (external)	242,627	258,468
Gross profit	63,076	65,620
Adj. EBIT	-346	5,176
Operating margin	-0.1%	2.2%
Conversion ratio	-0.5%	7.9%

Net revenue was positively impacted by start-ups launched during 2019, and negatively impacted by general market conditions.

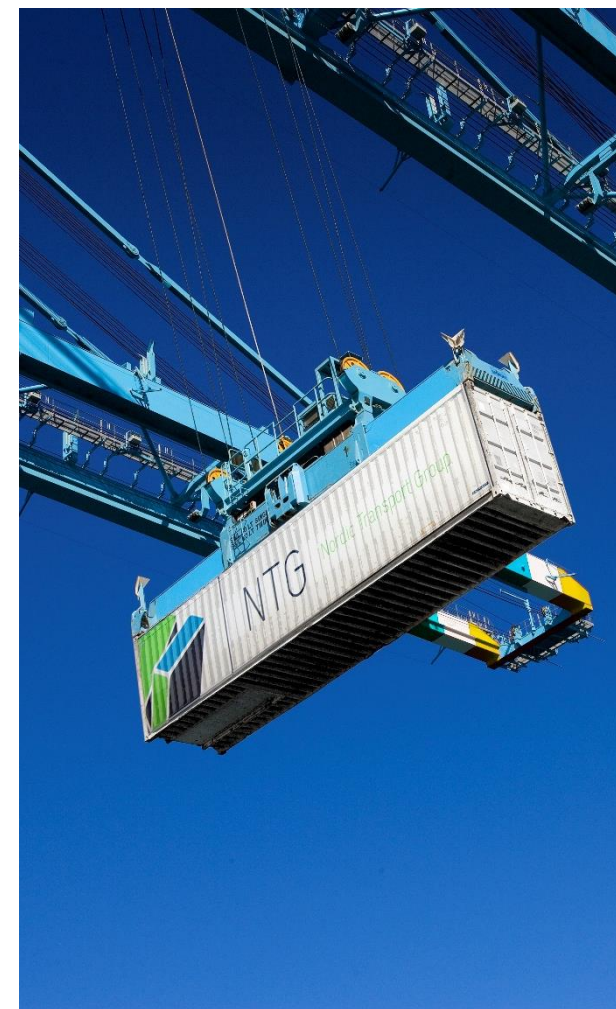
Gross profit

Gross profit for the quarter was DKK 63 million, compared to DKK 66 million for 2019 Q1. Gross margin increased from 25.4% to 26.0% for 2020 Q1.

EBIT before special items (adj. EBIT)

Adj. EBIT for the quarter was DKK -0.3 million, compared to DKK 5.2 million for 2019 Q1.

Start-ups launched during 2019 contributed significantly to the decrease in adj. EBIT. We normally expect new start-ups to reach breakeven within 6-12 months, but in the current circumstances they are particularly vulnerable as they have not yet established a firm foothold in the market.



Interim financial statements

INCOME STATEMENT

(DKK '000)	2020 Q1	2019 Q1
Net revenue	1,310,557	1,276,867
Direct costs	-1,035,170	-1,019,756
Gross profit	275,387	257,111
Other external expenses	-47,729	-48,192
Staff costs	-141,929	-129,863
Operating profit before amortizations, depreciation and special items (adj. EBITDA)	85,729	79,057
Amortizations and depreciation of intangible and tangible fixed assets	-40,796	-33,219
Operating profit before special items (adj. EBIT)	44,933	45,838
Special items, net	0	-1,756
Financial income	819	954
Financial costs, other	-12,490	-10,883
Profit before tax	33,262	34,153
Tax on profit for the period	-11,876	-9,938
Profit for the period	21,386	24,215
Attributable to:		
Shareholders in NTG A/S	17,805	7,980
Non-controlling interests	3,581	16,235
Earnings per share		
Earnings per share (DKK)	0.79	0.55

STATEMENT OF OTHER COMPREHENSIVE INCOME

(DKK '000)	2020 Q1	2019 Q1
Profit for the period	21,386	24,215
<i>Items that may be reclassified to the income statement:</i>		
Foreign exchange adjustments of subsidiaries	-7,323	-607
<i>Items will not be reclassified to the income statement:</i>		
Actuarial adjustments on retirement benefit obligations	12,087	-6,143
Other comprehensive income	4,764	-6,750
Total comprehensive income	26,150	17,465
Attributable to:		
Shareholders in NTG A/S	23,021	1,737
Non-controlling interests	3,129	15,728

CASH FLOW STATEMENT

(DKK '000)

2020 Q1

2019 Q1

Operating profit before special items	44,933	45,838
Depreciation and amortizations	40,796	33,219
Change in working capital etc.	7,778	-49,971
Change in provisions	-834	-2,050
Financial income received	819	954
Interest paid on leasing contracts	-7,813	-6,686
Other financial expenses paid	-4,677	-4,197
Corporation taxes paid	-5,147	-10,783
Special items	0	-1,756
Cash flow from operating activities	75,855	4,568
Purchase of intangible assets	-238	-978
Purchase of property, plant and equipment	-127	-3,469
Disposal of tangible assets	379	0
Acquisition of business activities	-107,991	-27,689
Changes in other financial assets	-4,902	96
Cash flow from investing activities	-112,879	-32,040
Free cash flow	-37,024	-27,472

CASH FLOW STATEMENT, continued

(DKK '000)

2020 Q1

2019 Q1

Repayment of lease liabilities	-34,133	-27,538
Repayments of other financial liabilities	-13,077	-45,678
<i>Shareholders and non-controlling interests</i>		
Acquisition of shares from non-controlling interests	-711	0
Disposal of shares to non-controlling interests	-5	352
Cash flow from financing activities	-49,752	-82,774
Cash flow for the period	-84,949	-100,336
Cash and cash equivalents at beginning of period	180,220	157,988
Cash flow for the period	-84,949	-100,336
Currency translation adjustments	-7,323	-702
Cash and cash equivalents at 31 March	87,948	56,950
Statement of adjusted free cash flow		
Free cash flow	-37,024	-27,472
Special items	0	1,756
Repayment of lease liabilities (reversal of IFRS 16 impact)	-34,133	-27,538
Adjusted free cash flow	-71,157	-53,254

BALANCE SHEET, assets

(DKK '000)	31/03-2020	31/12-2019	31/03-2019
Intangible assets	462,983	389,750	398,361
Property, plant and equipment	96,183	75,232	58,570
Right-of-use assets	559,715	518,715	552,280
Other receivables	26,839	6,153	8,810
Deferred tax assets	7,140	4,988	4,290
Total non-current assets	1,152,860	994,838	1,022,311
Trade receivables	835,021	769,766	762,220
Other receivables	96,713	82,503	52,688
Cash and cash equivalents	87,948	180,220	56,950
Corporation tax	1,059	2,254	331
Total current assets	1,020,741	1,034,743	872,189
Total assets	2,173,601	2,029,581	1,894,500

BALANCE SHEET, equity and liabilities

(DKK '000)	31/03-2020	31/12-2019	31/03-2019
Share capital	448,548	448,548	526
Reserves	-186,108	-208,129	113,858
NTG A/S shareholders' share of equity	262,440	240,419	114,384
Non-controlling interests	60,155	48,020	111,340
Total equity	322,595	288,439	225,724
Deferred tax liabilities	4,124	2,651	2,835
Pensions and similar obligations	140,813	152,869	141,387
Provisions	2,909	2,909	43,967
Financial liabilities	37,623	36,107	18,299
Lease liabilities	486,841	455,410	483,899
Total non-current liabilities	672,310	649,946	690,387
Provisions	45,702	42,614	57,112
Financial liabilities	21,797	17,246	7,940
Lease liabilities	133,058	119,920	113,450
Trade payables	800,391	776,264	666,185
Other payables	164,382	127,495	96,275
Corporation tax	13,366	7,657	37,427
Total current liabilities	1,178,696	1,091,196	978,389
Total liabilities	1,851,006	1,741,142	1,668,776
Total equity and liabilities	2,173,601	2,029,581	1,894,500

STATEMENT OF CHANGES IN EQUITY – 1 January - 31 March 2020

(DKK '000)	Share capital	Translation reserve	Retained earnings	NTG A/S shareholder's share of equity	Non-controlling interests	Total equity
Equity at 1 January	448,548	-7,449	-200,680	240,419	48,020	288,439
Profit for the period	0	0	17,805	17,805	3,581	21,386
Net exchange differences recognized in OCI	0	-6,871	0	-6,871	-452	-7,323
Actuarial gains/(losses)	0	0	12,087	12,087	0	12,087
Tax on other comprehensive income	0	0	0	0	0	0
Other comprehensive income, net of tax	0	-6,871	12,087	5,216	-452	4,764
Total comprehensive income for the period	0	-6,871	29,892	23,021	3,129	26,150
<i>Transactions with shareholders:</i>						
Addition/disposal of non-controlling interests	0	0	0	0	8,722	8,722
Acquisition of shares from non-controlling interests	0	0	-188	-188	-523	-711
Disposal of shares to non-controlling interests	0	0	-812	-812	807	-5
Total transactions with owners	0	0	-1,000	-1,000	9,006	8,006
Equity at 31 March	448,548	-14,320	-171,788	262,440	60,155	322,595

STATEMENT OF CHANGES IN EQUITY – 1 January - 31 March 2019

(DKK '000)	Share capital	Translation reserve	Retained earnings	NTG A/S shareholder's share of equity	Non-controlling interests	Total equity
Equity at 1 January	526	-6,038	119,521	114,009	93,898	207,907
Profit for the period	0	0	7,980	7,980	16,235	24,215
Net exchange differences recognized in OCI	0	-100	0	-100	-507	-607
Actuarial gains/(losses)	0	0	-6,143	-6,143	0	-6,143
Other comprehensive income, net of tax	0	-100	-6,143	-6,243	-507	-6,750
Total comprehensive income for the period	0	-100	1,837	1,737	15,728	17,465
<i>Transactions with shareholders:</i>						
Acquisition of shares from non-controlling interests	0	0	-1,362	-1,362	1,714	352
Total transactions with owners	0	0	-1,362	-1,362	1,714	352
Equity at 31 March	526	-6,138	119,996	114,384	111,340	225,724

Notes

Note 1 – Accounting policies

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

Accounting policies, judgements and significant estimates applied in preparation of the Interim Financial Report are consistent with those applied in the consolidated financial statements for 2019. Reference is made to note 1.1 of NTG Nordic Transport Group’s 2019 Annual Report for a description of accounting policies. For a definition of financial key figures and financial ratios, please see page 76 of NTG Nordic Transport Group’s 2019 Annual Report.

NTG Nordic Transport Group has implemented all new EU-approved standards and interpretations effective as of 1 January 2020. None of these standards and interpretations have had a material impact on NTG Nordic Transport Group’s Financial Statements.

Note 2 – Segment information and net revenue

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

(DKK '000)	<i>Road & Logistics</i>		<i>Air & Ocean</i>		<i>Eliminations etc.</i>		<i>Total</i>	
	2020 Q1	2019 Q1	2020 Q1	2019 Q1	2020 Q1	2019 Q1	2020 Q1	2019 Q1
Segment revenue	1,073,132	1,024,693	243,908	259,045	220	-383	1,317,261	1,283,355
Revenue (between segments)	-5,362	-5,836	-1,281	-577	-62	-75	-6,704	-6,488
Revenue (external)	1,067,771	1,018,857	242,627	258,468	159	-458	1,310,557	1,276,867
Gross Profit	212,179	185,121	63,076	65,620	133	6,370	275,387	257,111
Amortization and depreciation	-36,622	-30,632	-3,564	-2,099	-611	-487	-40,796	-33,219
Operating profit before special items	46,495	40,865	-346	5,176	-1,217	-203	44,933	45,838

Revenue (DKK '000)	2020 Q1	2019 Q1
Denmark	503,829	492,119
Sweden	220,471	201,534
Germany	181,942	194,262
Finland	130,389	128,279
Other countries	273,926	260,673
Total	1,310,557	1,276,867

Note 3 – Leases

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

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

Right-of-use assets are initially measured at cost, equivalent to the relevant recognized lease liability adjusted for any leasing payments made on or before the commencement date, any initial costs associated to the lease and other directly related costs including dismantling and restoration costs.

Subsequent to recognition, lease liabilities are measured at amortized 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.

(DKK '000)	Land & buildings	Other plant and equipment	Total
Opening balance 1 January 2020	295,583	223,132	518,715
Additions from business combinations	62,233	526	62,759
Additions during the period	10,205	16,724	26,939
Disposals during the period	0	-1,621	-1,621
Depreciation for the period	-14,387	-24,377	-38,764
Foreign currency translation	-5,683	-2,630	-8,313
Carrying amount at 31 March 2020	347,961	211,754	559,715

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.

Note 4 – Acquisition and disposal of entities

Acquisition during the year – Ebrex Business Solutions.

On 28 February 2020, the Group completed the acquisition of 85% of the shares in Ebrex Business Solutions Ltd. and its subsidiaries (Ebrex Group). The acquisition marks another important step for the Group towards becoming a market leader within freight forwarding services in the Nordics and Europe.

The total consideration consists of a cash payment of DKK 111 million and a loan of DKK 5 million for settlement during 2020.

Adjusted for the fair value of acquired cash and cash equivalents of DKK 8,737 thousand, the net cash flow amounted to DKK 102,761 thousand (outflow).

During the month after the acquisition date, Ebrex Group contributed with DKK 5,017 thousand to the Group's adj. EBIT and DKK 4,045 thousand to the result after tax.

Integration of Ebrex Group is still ongoing, and consequently net assets, including goodwill and other intangible assets, may be adjusted, and off-balance sheet items may be recognized for up to 12 months after the acquisition date 27 February 2020, in accordance with IFRS 3.

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

Fair value of acquired trade receivables and other receivables amounts to DKK 75,776 thousand. Collectability of receivables has been assessed based on Group credit assessment policies. In total DKK 1,336 thousand has been provided for as doubtful trade receivables.

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

(DKK '000)	Fair values at date of acquisition
Intangible assets	447
Property, plant and equipment	24,298
Right-of-use assets	62,759
Other receivables	15,784
Deferred tax assets	1,167
Trade Receivables	75,776
Cash and cash equivalents	8,737
Total Assets	188,968

(DKK '000)	Fair values at date of acquisition
Provisions	3,953
Financial liabilities	19,144
Lease liabilities	62,759
Deferred tax liabilities	113
Corporation tax	550
Trade payables	28,313
Other payables	22,685
Total liabilities	137,517
Non-controlling interests' share of acquired net assets	7,718
Acquired net assets	43,733
Fair value of total consideration	116,728
Goodwill and intangible assets arising from the acquisition	72,995

Note 5 – Related party transactions

NTG Nordic Transport Group's related parties include the Group's Board of Directors, the Executive Board and close family members of these persons. Related parties also include companies in which these persons have significant influence.

None of the related parties have control of NTG Nordic Transport Group.

NTG Nordic Transport Group had the following transactions with related parties during the interim period:

(DKK '000)	2020 Q1	2019 Q1
Sale of services to related parties	11	45
Purchase of other services from related parties	-1,711	-4,876
Rent and leasing obtained from related parties	-4,406	-4,339
Loan and interest payments to related parties	0	-749

Note 6 – Earnings per share

Earnings per share (EPS) is calculated according to IAS 33, as shown below. The number of shares outstanding in the comparative period is adjusted to reflect the updated share capital following the transaction on 7 October 2019 (NTG's reverse acquisition of former Neurosearch A/S). Adjustment is made using an exchange ratio between NTG and Neurosearch shares. Reference is made to the Group's 2019 Annual Report, note 6.2 for further information

(DKK '000)	2020 Q1	2019 Q1
Profit for the period, shareholders in NTG A/S (DKK '000)	17,806	7,980
Average number of shares ('000 shares)	22,427	14,562
Average number of treasury shares	-19	0
Average number of shares in circulation	22,408	14,562
Earnings per share, EPS for the period	0.79	0.55

Note 7 – Events after the balance sheet date

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

Statement of the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the Interim Report of NTG Nordic Transport Group A/S for the period 1 January 2020 to 31 March 2020.

The interim consolidated financial statements of NTG Nordic Transport Group A/S, which have not been

audited or reviewed by the Company's auditor, have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and additional Danish disclosure requirements for interim financial reporting of listed companies. In our opinion, the interim consolidated financial statements give a true and fair view of NTG Nordic Transport Group A/S'

consolidated assets, liabilities and financial position at 31 March 2020 and of the results of NTG Nordic Transport Group A/S' consolidated operations and cash flows for the period 1 January 2020 to 31 March 2020.

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

Hvidovre, 25 May 2020

Executive Board

Michael Larsen
Group CEO

Jesper E. Petersen
CEO Road & Logistics

Christian D. Jakobsen
Group CFO

Board of Directors

Eivind Kolding
Chairman of the board

Jørgen Hansen
Vice chairman of the board

Finn Skovbo Pedersen
Board member

Peter Grubert
Board member

Ulrik Ross
Board member

Jesper Præstensgaard
Board member

Karen-Marie Katholm
Board member

Carsten Krogsgaard Thomsen
Board member