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PNO

PNO Holding A/S

Wildersgade 10, 3.
1408 København K
CVR No. 26101409

Annual report 2021

The Annual General Meeting adopted the annual report on 11.04.2022

Thomas Rimington
Chairman of the General Meeting

Contents

Entity details

Entity
PNO Holding A/S
Wildersgade 10, 3.
1408 København K

Business Registration No.: 26101409
Registered office: København
Financial year: 01.01.2021 - 31.12.2021

Statutory reports on the Entity's website
Statutory report on corporate governance: http://pnorental.com/about/#sustainability

Board of Directors
Jacob Nelson Lee Ørnstrand
Ibrahim Gokcen
Gajakarnan Vibushanan Kandiah, formand
Yolanda Johanna Maria Antoinetta Paulissen

Executive Board
Jacob Nelson Lee Ørnstrand, direktør
Thomas Rimington

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of PNO Holding A/S for the financial year 01.01.2021 - 31.12.2021.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 11.04.2022

Executive Board

Jacob Nelson Lee Ørnstrand
direktør

Thomas Rimington

Board of Directors

Jacob Nelson Lee Ørnstrand

Ibrahim Gokcen

Gajakarnan Vibushanan Kandiah
formand

Yolanda Johanna Maria Antoinetta Paulissen

Independent auditor's report

To the shareholder of PNO Holding A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of PNO Holding A/S for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 consolidated financial statements and the parent financial statements" section of this auditor’s report. 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Entity’s ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent financial statements.

As part of an audit conducted 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 consolidated financial statements and the parent 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 Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Entity'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 consolidated financial statements and the parent 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 and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent 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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 11.04.2022

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Bjørn Winkler Jakobsen
State Authorised Public Accountant
Identification No (MNE) mne32127

Henrik Hartmann Olesen
State Authorised Public Accountant
Identification No (MNE) mne34143

Management commentary

Financial highlights

	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000
Key figures					
Revenue	687,383	630,878	652,415	612,569	543,639
Gross profit/loss	488,719	469,900	499,684	473,411	423,991
Operating profit/loss	113,502	112,708	90,580	103,372	79,587
Net financials	(23,700)	(39,117)	(33,010)	(24,181)	(21,360)
Profit/loss for the year	73,642	57,719	45,471	62,732	51,703
Profit for the year excl. minority interests	71,704	56,417	44,577	62,515	-
Balance sheet total	1,971,034	1,892,510	1,990,013	1,897,171	1,456,322
Investments in property, plant and equipment	528,522	346,178	575,082	856,948	641,156
Equity	370,134	379,383	395,654	369,279	316,173
Equity excl. minority interests	365,782	376,969	394,542	369,062	316,173
Cash flows from operating activities	396,244	415,531	301,604	331,417	316,381
Cash flows from investing activities	(417,184)	(238,407)	(401,455)	(655,371)	(412,876)
Cash flows from financing activities	(2,135)	(185,420)	120,517	327,756	135,104
Average number of employees	69	76	87	84	79
Ratios					
Gross margin (%)	71.10	74.48	76.59	77.28	77.99
Net margin (%)	10.71	9.15	6.97	10.24	9.51
Return on equity (%)	19.31	14.63	11.68	18.25	0.00
Equity ratio (%)	18.56	19.92	19.83	19.45	21.71
Revenue per employee	9,962	8,301	7,499	7,293	6,882

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%):
Gross profit/loss * 100
Revenue

Net margin (%):
Profit/loss for the year * 100
Revenue

Return on equity (%):
Profit/loss for the year excl. minority interests * 100
Average equity excl. minority interests

Equity ratio (%):
Equity excl. minority interests * 100
Balance sheet total

Revenue per employee:
Revenue
Average number of employees

Primary activities

The key activities of the Company are to hold shares of group enterprises and to carry on investment activities. The activities are carried out through the subsidiaries in Denmark, Sweden, Norway, Finland, Germany and Netherland. As in previous years, the Group's business comprised the rental of trailers to the transport sector.

Foreword:

"We are committed to delivering ambitious growth by offering the most competitive solutions to our customers. We have a clear ambition to create financial and responsible impact via customer centric and competitive solutions through all our business interactions." Group CEO, Jacob Lee Ørnstrand.

The world is constantly changing, and this brings new expectations and opportunities for our business. In the changing business environment, we constantly strive to adapt by delivering the most cost-efficient rental solutions to our customers.

We have always been agile in our way of conducting business, and therefore we are not afraid of choosing the road less travelled to ensure that we deliver the right solution. We are in this for the long haul and never compromise on service or quality.

We have always delivered pragmatic rental solutions, personal touch points and offered a wide product portfolio, and this approach continues to be a core asset in our competitive offering. To focus even more on the long-term person relationships, we successfully launched country by country commercial set-ups, which ensured a more focused local presence and speed.

We have carefully listened to our customers and the market to understand the needs for digital innovation. To that end, we are developing and investing in new digital solutions. We are excited about the digital opportunities, as they prepare us for future growth for our customers and ourselves.

Our 69 employees contributed to reach the year's result, which has been affected by the Covid-19 situation and therefore it does not fulfill our expectations for the year. PNO has a strong and dedicated leadership and team in place, and we are prepared for our ambitious growth plan.

Development in activities and finances

Profit for the year amounts to DKK 73,6 million compared to a profit on DKK 57,7 million in 2020. Profit for the year before financial income and expenses at DKK 113,5 million against DKK 112,7 million in 2020. Revenue amounts to DKK 687,4 million compared to 630,9 million in 2020, corresponding to an increase of 9%.

The result for the year is considered to be satisfactory and is above expectations.

For further information, reference is made to the following income statement, cash flow statement and balance sheet with related notes.

Profit/loss for the year in relation to expected developments

The Coronavirus (Covid-19) has impacted the entire world in 2021, and hence the markets PNO is operating in. It has affected both the social and corporate economies, including our company. As a result of the situation with Covid-19, we have experienced a long period in 2021 with uncertainty in the market. We have seen a growing demand for trailers, but many delays on the vendor side due to delivery problems on components worldwide, has made it difficult for us to deliver new trailers to our customers. This has affected the utilization of our trailer fleet, which has been higher in 2021 compared with the previous year.

The result is affected by sales of property in PNO Sweden which contributes positively to the result for the year. On the other hand, is extraordinary provisions for loss due to the situation in Russia and Ukraine affecting the result negatively.

Uncertainty relating to recognition and measurement

There are no specific uncertainties in recognition and measurement in the annual report.

Particular risks

Generally, the Group’s customers in the transport sector are very dependent on economic trends, which affect the Group’s sales potential and thus earnings.

Moreover, the Group depends on the procurement of necessary funding on terms that match market de- mands for leasing terms.

Intellectual capital resources

Over several years in the trailer industry, the Group's employees have accumulated considerable and unique knowledge within the industry, as well as a good technical understanding of the company's products.

Ongoing training of employees, as well as annual measurement of employee satisfaction continuously monitors job satisfaction and improve the employee’s skills in relation to existing and future work tasks.

Outlook

Despite the uncertainty, still associated with Covid-19 and the situation in Russia and Ukraine, PNO expect the trailer rental market as well as the divestment market to develop positively in 2022.

We expect that market trends in 2022 will continue to move towards increased demand for transport, which is why we expect overall growth to be at a higher level in 2022. We also foresee that the delivery times on trailers will continue to increase in the beginning of 2022 and maybe result in further delays, which can affect our possibilities for growth on the short run. During the situation in Russia and Ukraine we have already seen price increasing on many raw materials and it is still very uncertain how this will affect us in the long run, but with the indication we have seen from vendors so far, we expect this to increase our cost in 2022 as well.

Based on the above facts PNO expect a positive result for 2022 and in the range of 2021.

Environmental performance

By using our values and purpose to steer our decision-making, we incorporate our sustainability focus in every decision taken. In 2019 PNO became the first B Corp globally in the industry and committed to Net Zero by 2030 in 2020. We have striven to lead the transition to sustainable freight through several internal and external activities to reduce the carbon footprint. Since 2019 we have measured our Scope 1-2, and we have started the journey mapping our Scope 3 in 2021 with our key suppliers.

PNO’s Impact Reports: https://pnorental.com/impact-overview/
B Corp: https://bcorporation.eu/about-b-lab/country-partner/denmark
Net Zero, 2030: https://bcorporation.net/news/500-b-corps-commit-net-zero-2030

Statutory report on corporate social responsibility

The statutory statement is available on the company's website. https://pnorental.com/about/#sustainability

Statutory report on the underrepresented gender

In the PNO Group, it is only PNO Holding A/S that is subject to the disclosure requirements pursuant to section 99b of the Danish Financial Statements Act. PNO Holding A/S's Board of Directors is the supreme governing body of the Company. A target of 25% female members of the elected Board of Directors has been set. At present, the Board of Directors consists of four members, whereof one is female. So, at time being the target is achieved.

Group considers gender diversity in the Management Group a strength.

We have actively worked to improve gender balance through a number of concrete initiatives. We have set new targets for diversity, and we have established a workgroup that focused on DEI to ensure that we see concrete progress on our targets set. Read more: https://pnorental.com/pno-joins-the-womens-empowerment-principles/

In 2021, the Group actively sought to increase the proportion of women in the management in connection with recruitment processes and internal promotions. In relation to recruitment processes in 2021, we focused on having interviews with suitable candidates of both genders when possible, and furthermore, we prioritize the female candidate in cases where two candidates are considered equally qualified for a position. In relation to internal promotions in 2021, we focused on identifying talented female candidates who could take on greater responsibility in the Company and evaluated how and with what means we could help them succeed in the Company.

Statutory report on data ethics policy

IT is a crucial part of our business, because of the increased digitization. In recent years, the PNO group has increased its investment in the development and improvement of digitalization of our business, where data on employees, customers, trailers, and IT security are in focus. Data is collected mainly by our employees, and only to a limited extent via third parties.

We continuously ensure that our employees are aware of data ethics, GDPR legislation, IT security through internal awareness.

At present, we have not formulated formal policies regarding data ethics, but these are under preparation and the project is rooted in the organization. The final policies are expected to be implemented within the coming financial year.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Consolidated income statement for 2021

	Notes	2021 DKK'000	2020 DKK'000
Revenue	1	687,383	630,878
Cost of sales		(150,161)	(130,176)
Other external expenses	2	(48,503)	(30,802)
Gross profit/loss		**488,719**	**469,900**
Staff costs	3	(51,554)	(44,915)
Depreciation, amortisation and impairment losses	4	(323,663)	(312,277)
Operating profit/loss		**113,502**	**112,708**
Other financial income	5	4,458	83
Other financial expenses	6	(28,158)	(39,200)
Profit/loss before tax		**89,802**	**73,591**
Tax on profit/loss for the year	7	(16,160)	(15,872)
Profit/loss for the year	8	**73,642**	**57,719**

Consolidated balance sheet at 31.12.2021

Assets

	Notes	2021 DKK'000	2020 DKK'000
Completed development projects	10	6,670	1,965
Acquired intangible assets		4	31
Development projects in progress	10	4,538	5,817
Intangible assets	9	**11,212**	**7,813**
Land and buildings		15,372	22,045
Other fixtures and fittings, tools and equipment		1,717,791	1,622,574
Property, plant and equipment	11	**1,733,163**	**1,644,619**
Fixed assets		**1,744,375**	**1,652,432**
Manufactured goods and goods for resale		848	1,816
Inventories		**848**	**1,816**
Trade receivables		109,526	118,706
Other receivables		14,561	2,001
Tax receivable		10,486	3,142
Prepayments	12	18,089	18,189
Receivables		**152,662**	**142,038**
Cash		**73,149**	**96,224**
Current assets		**226,659**	**240,078**
Assets		**1,971,034**	**1,892,510**

Equity and liabilities

	Notes	2021 DKK'000	2020 DKK'000
Contributed capital	13	625	625
Retained earnings		365,157	376,344
Equity belonging to Parent's shareholders		**365,782**	**376,969**
Equity belonging to minority interests		**4,352**	**2,414**
Equity		**370,134**	**379,383**
Deferred tax	14	111,620	100,239
Provisions		**111,620**	**100,239**
Lease liabilities		992,142	1,121,620
Other payables		0	2,224
Non-current liabilities other than provisions	15	**992,142**	**1,123,844**
Current portion of non-current liabilities other than provisions	15	427,488	225,145
Prepayments received from customers		563	727
Trade payables		39,596	33,891
Tax payable		7,049	15,011
Other payables		22,442	14,268
Deferred income	16	0	2
Current liabilities other than provisions		**497,138**	**289,044**
Liabilities other than provisions		**1,489,280**	**1,412,888**
Equity and liabilities		**1,971,034**	**1,892,510**
Unrecognised rental and lease commitments	18		
Assets charged and collateral	19		
Transactions with related parties	20		
Subsidiaries	21		

Consolidated statement of changes in equity for 2021

	Contributed capital DKK'000	Retained earnings DKK'000	Equity belonging to Parent's shareholders DKK'000	Equity belonging to minority interests DKK'000	Total DKK'000
Equity beginning of year	625	376,344	376,969	2,414	379,383
Extraordinary dividend paid	0	(75,000)	(75,000)	0	(75,000)
Exchange rate adjustments	0	(3,723)	(3,723)	0	(3,723)
Other entries on equity	0	(4,168)	(4,168)	0	(4,168)
Profit/loss for the year	0	71,704	71,704	1,938	73,642
Equity end of year	**625**	**365,157**	**365,782**	**4,352**	**370,134**

Consolidated cash flow statement for 2021

	Notes	2021 DKK'000	2020 DKK'000
Operating profit/loss		113,502	112,708
Amortisation, depreciation and impairment losses		323,663	312,277
Working capital changes	17	(4,335)	30,946
Cash flow from ordinary operating activities		**432,830**	**455,931**
Financial income received		4,458	83
Financial expenses paid		(28,158)	(39,200)
Taxes refunded/(paid)		(11,869)	(3,142)
Other cash flows from operating activities		(1,017)	1,859
Cash flows from operating activities		**396,244**	**415,531**
Acquisition etc. of intangible assets		(4,593)	(4,905)
Acquisition etc. of property, plant and equipment		(528,522)	(346,178)
Sale of property, plant and equipment		104,304	112,676
Sale of buildings		11,627	0
Cash flows from investing activities		**(417,184)**	**(238,407)**
Free cash flows generated from operations and investments before financing		**(20,940)**	**177,124**
Loans raised		72,865	(108,720)
Dividend paid		(75,000)	(76,700)
Cash flows from financing activities		**(2,135)**	**(185,420)**
Increase/decrease in cash and cash equivalents		**(23,075)**	**(8,296)**
Cash and cash equivalents beginning of year		96,224	104,520
Cash and cash equivalents end of year		**73,149**	**96,224**
Cash and cash equivalents at year-end are composed of:			
Cash		73,149	96,224
Cash and cash equivalents end of year		**73,149**	**96,224**

Notes to consolidated financial statements

1 Revenue

	2021 DKK'000	2020 DKK'000
Denmark	96,104	89,206
Other EU-Countries	591,279	541,672
Total revenue by geographical market	**687,383**	**630,878**
Rental sales	615,356	555,607
Divestments	39,511	43,699
Workshop Sales	32,516	31,572
Total revenue by activity	**687,383**	**630,878**

2 Fees to the auditor appointed by the Annual General Meeting

	2021 DKK'000	2020 DKK'000
Statutory audit services	372	361
Other services	248	323
	620	**684**

3 Staff costs

	2021 DKK'000	2020 DKK'000
Wages and salaries	46,329	40,073
Pension costs	4,036	3,869
Other social security costs	2,752	3,101
Other staff costs	2,435	2,629
	55,552	**49,672**
Staff costs classified as assets	(3,998)	(4,757)
	51,554	**44,915**

Average number of full-time employees	**69**	**76**

	Remuneration of management 2021 DKK'000	Pension liabilities 2020 DKK'000
Total amount for management categories	4,552	5,067
	4,552	**5,067**

4 Depreciation, amortisation and impairment losses

	2021 DKK'000	2020 DKK'000
Amortisation of intangible assets	1,194	294
Depreciation on property, plant and equipment	334,744	311,983
Profit/loss from sale of intangible assets and property, plant and equipment	(12,275)	0
	323,663	**312,277**

5 Other financial income

	2021 DKK'000	2020 DKK'000
Other interest income	75	83
Exchange rate adjustments	4,379	0
Other financial income	4	0
	4,458	**83**

6 Other financial expenses

	2021 DKK'000	2020 DKK'000
Other interest expenses	27,338	31,237
Exchange rate adjustments	748	7,079
Other financial expenses	72	884
	28,158	**39,200**

7 Tax on profit/loss for the year

	2021 DKK'000	2020 DKK'000
Current tax	7,953	15,303
Change in deferred tax	10,191	1,081
Adjustment concerning previous years	(1,984)	(512)
	16,160	**15,872**

8 Proposed distribution of profit/loss

	2021 DKK'000	2020 DKK'000
Retained earnings	71,704	56,417
Minority interests' share of profit/loss	1,938	1,302
	73,642	**57,719**

9 Intangible assets

	Completed development projects DKK'000	Acquired intangible assets DKK'000	Development projects in progress DKK'000
Cost beginning of year	2,259	418	5,817
Transfers	5,872	0	(5,872)
Additions	0	0	4,593
Cost end of year	**8,131**	**418**	**4,538**
Amortisation and impairment losses beginning of year	(294)	(387)	0
Amortisation for the year	(1,167)	(27)	0
Amortisation and impairment losses end of year	**(1,461)**	**(414)**	**0**
Carrying amount end of year	**6,670**	**4**	**4,538**

10 Development projects

Due to the rising need for digital innovation across all industries, the PNO Group has started developing technological solutions to help the PNO Group best serve its customers. PNO Group has established an inhouse tech-hub called “PNO Ventures” which purpose is to strengthen our digital offering and develop new products. We want to build a standalone “Software-as-a-service” platform that connects trailer owners, operators and service providers. In this platform, you shall be able to service and share your trailer fleet to secure the highest possible time on the road. In 2021 the focus has been on the development of the internal platform. The cost associated with the development of these assets is on a running basis recognised as intangible assets. The amortization period is set to 5 years.

11 Property, plant and equipment

	Land and buildings DKK'000	Other fixtures and fittings, tools and equipment DKK'000
Cost beginning of year	42,359	2,846,348
Exchange rate adjustments	2,865	9,006
Additions	0	528,522
Disposals	(8,602)	(250,811)
Cost end of year	**36,622**	**3,133,065**
Depreciation and impairment losses beginning of year	(20,314)	(1,223,774)
Exchange rate adjustments	(2,906)	(8,491)
Depreciation for the year	(1,156)	(333,588)
Reversal regarding disposals	3,126	150,579
Depreciation and impairment losses end of year	**(21,250)**	**(1,415,274)**
Carrying amount end of year	**15,372**	**1,717,791**

12 Prepayments

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

13 Contributed capital

	Number	Par value DKK'000	Nominal value DKK'000
A-shares	50	1	50
B-shares	575	1	575
	625		**625**

14 Deferred tax

Changes during the year	2021 DKK'000	2020 DKK'000
Beginning of year	100,239	90,422
Recognised in the income statement	10,191	1,081
Other adjustments	1,190	8,736
End of year	**111,620**	**100,239**

Deferred tax relates to intangible assets, property, plant and equipment and other provisions.

15 Non-current liabilities other than provisions

	Due within 12 months 2021 DKK'000	Due within 12 months 2020 DKK'000	Due after more than 12 months 2021 DKK'000	Outstanding after 5 years 2021 DKK'000
Lease liabilities	427,488	225,145	992,142	29,311
	427,488	**225,145**	**992,142**	**29,311**

16 Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

17 Changes in working capital

	2021 DKK'000	2020 DKK'000
Increase/decrease in inventories	968	91
Increase/decrease in receivables	(3,290)	14,023
Increase/decrease in trade payables etc.	(2,013)	16,832
	(4,335)	**30,946**

18 Unrecognised rental and lease commitments

	2021 DKK'000	2020 DKK'000
Total liabilities under rental or lease agreements until maturity	**11,402**	**13,076**

For the liabilities under rental or lease agreements DKK 3M due 5 years after the balance date.

19 Assets charged and collateral

As security for contract debt and trade payables, retention of title has been provided in machinery and equipment.

The Company has provided jointly and several guarantee of payment in respect of a part the Group's debt to credit institution.

20 Transactions with related parties

It is only required to report on transaction with retaled parties which has not been on marked conditions. All transaction with related parties in the fiscal year has been on marked conditions.

21 Subsidiaries

	Registered in	Corporate form	Ownership %
PNO Danmark A/S	Horsens, Denmark	A/S	100
PNO Sverige AB	Helsingborg, Sweden	AB	100
PNO Norge AS	Oslo, Norway	AS	100
PNO Finland OY	Helsinki, Finland	OY	100
PNO Netherlands B.V.	Venlo, Netherlands	B.V.	75
PNO Deutschland GmbH	Hamburg, Germany	GmbH	100.00

Parent income statement for 2021

	Notes	2021 DKK'000	2020 DKK'000
Other operating income		28,501	29,106
Other external expenses		(9,491)	(9,016)
Gross profit/loss		**19,010**	**20,090**
Staff costs	2	(22,943)	(19,451)
Depreciation, amortisation and impairment losses	3	(1,836)	(1,079)
Operating profit/loss		**(5,769)**	**(440)**
Income from investments in group enterprises		76,819	57,482
Other financial income	4	0	225
Other financial expenses	5	(1,330)	(915)
Profit/loss before tax		**69,720**	**56,352**
Tax on profit/loss for the year		1,984	71
Profit/loss for the year	6	**71,704**	**56,423**

Parent balance sheet at 31.12.2021

Assets

	Notes	2021 DKK'000	2020 DKK'000
Completed development projects	8	6,670	1,965
Development projects in progress	8	4,538	5,817
Intangible assets	7	**11,208**	**7,782**
Other fixtures and fittings, tools and equipment		1,500	1,877
Property, plant and equipment	9	**1,500**	**1,877**
Investments in group enterprises		412,374	414,455
Financial assets	10	**412,374**	**414,455**
Fixed assets		**425,082**	**424,114**
Receivables from group enterprises		328	4,915
Other receivables		1,999	2
Joint taxation contribution receivable		1,984	71
Prepayments	11	1,551	1,062
Receivables		**5,862**	**6,050**
Cash		**2,214**	**4,450**
Current assets		**8,076**	**10,500**
Assets		**433,158**	**434,614**

Equity and liabilities

	Notes	2021 DKK'000	2020 DKK'000
Contributed capital		625	625
Reserve for net revaluation according to equity method		360,105	362,353
Reserve for development costs		8,743	6,233
Retained earnings		(3,691)	7,758
Equity		**365,782**	**376,969**
Other payables	12	0	1,807
Non-current liabilities other than provisions		**0**	**1,807**
Trade payables		957	1,136
Payables to group enterprises		62,421	51,748
Other payables		3,998	2,954
Current liabilities other than provisions		**67,376**	**55,838**
Liabilities other than provisions		**67,376**	**57,645**
Equity and liabilities		**433,158**	**434,614**
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	13		
Contingent liabilities	14		
Assets charged and collateral	15		
Related parties with controlling interest	16		

Parent statement of changes in equity for 2021

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Reserve for development costs DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	625	362,353	6,233	7,758	376,969
Extraordinary dividend paid	0	0	0	(75,000)	(75,000)
Exchange rate adjustments	0	(3,738)	0	0	(3,738)
Other entries on equity	0	(4,153)	0	0	(4,153)
Dividends from group enterprises	0	(71,176)	0	71,176	0
Transfer to reserves	0	0	2,510	(2,510)	0
Profit/loss for the year	0	76,819	0	(5,115)	71,704
Equity end of year	**625**	**360,105**	**8,743**	**(3,691)**	**365,782**

Notes to parent financial statements

1 Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

2 Staff costs

	2021 DKK'000	2020 DKK'000
Wages and salaries	23,316	21,111
Pension costs	2,752	2,498
Other social security costs	171	143
Other staff costs	702	456
	26,941	**24,208**
Staff costs classified as assets	(3,998)	(4,757)
	22,943	**19,451**

Average number of full-time employees	**21**	**20**

	Remuneration of Management 2021 DKK'000	Remuneration of Management 2020 DKK'000
Total amount for management categories	4,552	5,067
	4,552	**5,067**

3 Depreciation, amortisation and impairment losses

	2021 DKK'000	2020 DKK'000
Amortisation of intangible assets	1,167	294
Depreciation on property, plant and equipment	669	785
	1,836	**1,079**

4 Other financial income

	2021 DKK'000	2020 DKK'000
Exchange rate adjustments	0	225
	0	**225**

5 Other financial expenses

	2021 DKK'000	2020 DKK'000
Financial expenses from group enterprises	1,160	864
Other interest expenses	21	51
Exchange rate adjustments	149	0
	1,330	**915**

6 Proposed distribution of profit and loss

	2021 DKK'000	2020 DKK'000
Extraordinary dividend distributed in the financial year	75,000	76,700
Retained earnings	(3,296)	(20,277)
	71,704	**56,423**

7 Intangible assets

	Completed development projects DKK'000	Development projects in progress DKK'000
Cost beginning of year	2,259	5,817
Transfers	5,872	(5,872)
Additions	0	4,593
Cost end of year	**8,131**	**4,538**
Amortisation and impairment losses beginning of year	(294)	0
Amortisation for the year	(1,167)	0
Amortisation and impairment losses end of year	**(1,461)**	**0**
Carrying amount end of year	**6,670**	**4,538**

8 Development projects

Due to the rising need for digital innovation across all industries, the PNO Group has started developing technological solutions to help the PNO Group best serve its customers. PNO Group has established an inhouse tech-hub called “PNO Ventures” which purpose is to strengthen our digital offering and develop new products. We want to build a standalone “Software-as-a-service” platform that connects trailer owners, operators and service providers. In this platform, you shall be able to service and share your trailer fleet to secure the highest possible time on the road. In 2021 the focus has been on the development of the internal platform. The cost associated with the development of these assets is on a running basis recognized as intangible assets. The amortisation period is set to 5 years.

9 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000
Cost beginning of year	4,092
Additions	292
Disposals	(1,038)
Cost end of year	**3,346**
Depreciation and impairment losses beginning of year	(2,215)
Depreciation for the year	(669)
Reversal regarding disposals	1,038
Depreciation and impairment losses end of year	**(1,846)**
Carrying amount end of year	**1,500**

10 Financial assets

	Investments in group enterprises DKK'000
Cost beginning of year	52,083
Additions	186
Cost end of year	**52,269**
Revaluations beginning of year	362,372
Exchange rate adjustments	(3,742)
Share of profit/loss for the year	76,022
Adjustment of intra-group profits	(3,371)
Dividend	(71,176)
Revaluations end of year	**360,105**
Carrying amount end of year	**412,374**

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

11 Prepayments

Deferred income consists of payments received in respect of income in subsequent years.

12 Other payables

	2021 DKK'000	2020 DKK'000
Holiday pay obligation	0	1,807
	0	**1,807**

13 Unrecognised rental and lease commitments

	2021 DKK'000	2020 DKK'000
Total liabilities under rental or lease agreements until maturity	**2,345**	**414**

14 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which Jacob Lee Ørnstrand Holding A/S, Central Business Registration No 34619530, serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable from establishment of joint taxation for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements

15 Assets charged and collateral

As security for contract debt and trade payables, retention of title has been provided in trade receviables. The Company has provided a guarantee in respect of PNO NEDERLAND B.V.

16 Related parties with controlling interest

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:
Jacob PNO Holding A/S, Strandgade 26, 1., DK-1401 København K

Accounting policies

Reporting class
This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

Recognition and measurement
Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements
The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

Basis of consolidation
The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.
Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' proportionate share of profit or loss is presented as a separate item in Management's proposal for distribution of profit or loss, and their share of subsidiaries' net assets is presented as a separate item in group equity.
Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Income statement

Revenue

Revenue from the sale of rental services, divestment of trailers and related service is recognised in the income statement when delivery is made and risk has passed to the buyer.

Revenue can be divided into three categories. Rental sales, divestment sales and workshop sales. All revenue categories are recognised in the income statement when: Delivery has been made before year end:

- Delivery to customer has taken place before balance date

- A binding agreement has been signed

- The value of the contract has been determined

- Payment has been received or is highly likely to be received in the future

Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed. Net profit from sales and divestment of trailers are recognised as net revenue.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises dividend etc received from the individual group enterprises in the financial year.

Other financial income

Other financial income comprises of interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

The Parent is jointly taxed with all of its Danish group enterprises and other Danish consolidated companies. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet
Intellectual property rights etc.
Intellectual property rights etc comprise development projects in progress.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

The amortization period used for development costs are 5 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment
Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-manufactured assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

Indirect production costs in the form of indirect attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each asset.

Interest expenses on loans for the financing of the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other finance costs are recognised in the income statement. The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	10-40 years
Other fixtures and fittings, tools and equipment	3-10 years
Own Trailers	8 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Assets held under finance leases
For assets held under finance leases, cost is measured at the lower of fair value and present value of future lease payments. At the calculation of the present value, the lease agreements' rate of return is applied. Assets held under finance leases are amortised and written down according to the same policies as established for the Company's other fixed assets.

The capitalised remaining lease obligation is recognised in the balance sheet as a liability, and the interest element of the lease payment is charged to the income statement on a current basis.

All other leases are considered as being operational leases. Payments made in connection with operational leases are recognised on a straight-line basis in the income statement over the term of the lease.

Investments in group enterprises
In the parent financial statements, investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits and losses. Refer to the above section on business combinations for more details about the accounting policies used on acquisitions of investments in group enterprises.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years. For other amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 5 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Inventories
Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation on of and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management. Finance costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Tax payable or receivable
Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Joint taxation contributions payable or receivable
Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash
Cash comprises cash in hand and bank deposits.

Dividend
Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Minority interests
On initial recognition, minority interests are measured at the minority interests' share of the acquiree's net assets measured at fair value. No goodwill related to the minority interests' equity interests in the acquiree is recognised.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

Lease liabilities
Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Operating leases
Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities
Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers
Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.