



PNO Danmark A/S

Mossvej 17
8700 Horsens
CVR No. 29173982

Annual report 2022

The Annual General Meeting adopted the
annual report on 12.04.2023

Thomas Glen Rimington
Chairman of the General Meeting

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Entity details

Entity

PNO Danmark A/S

Mossvej 17

8700 Horsens

Business Registration No.: 29173982

Registered office: Horsens

Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Thomas Glen Rimington, Chairman

Pauli Majgaard Johannesen

Jacob Nelson Lee Ørnstrand

Executive Board

Jacob Nelson Lee Ørnstrand, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of PNO Danmark A/S for the financial year 01.01.2022 - 31.12.2022.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

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, 12.04.2023

Executive Board

Jacob Nelson Lee Ørnstrand
CEO

Board of Directors

Thomas Glen Rimington
Chairman

Pauli Majgaard Johannesen

Jacob Nelson Lee Ørnstrand

Independent auditor's report

To the shareholder of PNO Danmark A/S

Opinion

We have audited the financial statements of PNO Danmark A/S for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 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 financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the 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 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 financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional 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 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 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 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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the 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 financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the 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 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, 12.04.2023

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

	2022	2021	2020	2019	2018
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Gross profit/loss	75,086	66,688	60,217	50,622	37,200
Operating profit/loss	12,708	10,799	10,452	3,183	2,867
Net financials	(5,949)	(5,768)	(5,000)	(4,787)	(3,505)
Profit/loss for the year	2,412	1,456	5,892	(1,604)	(638)
Total assets	341,477	327,118	312,988	262,992	230,145
Investments in property, plant and equipment	75,378	75,707	101,627	80,370	110,578
Equity	3,094	2,581	12,025	11,133	12,737
Ratios					
Return on equity (%)	85.00	19.94	50.89	(13.44)	(4.89)
Equity ratio (%)	0.91	0.79	3.84	4.23	5.53

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

Return on equity (%):

Profit/loss for the year * 100

Average equity

Equity ratio (%):

Equity * 100

Total assets

Primary activities

The activity of the company is to conduct business with rental and sales of trailers in Denmark.

Development in activities and finances

The result for the year was a profit of TDKK 2,412, which is considered to be satisfactory. In the company`s balance sheet per December 31, 2022, equity is amounted to DKK 3,094 thousand.

Profit/loss for the year in relation to expected developments

The profit for the year is more or less in line with the approved budget for 2022.

Uncertainty relating to recognition and measurement

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

Outlook

Despite the uncertainty, still associated the situation in Russia and Ukraine, PNO expect the trailer rental market as well as the divestment market to develop positively in 2023.

We expect that market trends in 2023 will continue to move towards increased demand for transport, which is why we expect overall growth to be at a higher level in 2023. 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 and prices in 2023 as well.

Based on the above facts PNO Denmark A/S expect a positive result for 2023 and in the rage of 2022.

Knowledge resources

Generally, the PNO Denmark A/S' customers in the transport sector are very dependent on economic trends, which affect the company's sales potential and thus earnings.

Moreover, the company depends on the procurement of necessary funding on terms that match market demands for leasing terms.

Over several years in the trailer industry, the company'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.

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.

Income statement for 2022

	Notes	2022 DKK	2021 DKK
Gross profit/loss		75,085,682	66,687,632
Staff costs	2	(4,160,320)	(3,951,228)
Depreciation, amortisation and impairment losses	3	(58,216,951)	(51,937,670)
Operating profit/loss		12,708,411	10,798,734
Other financial income	4	105,819	112,009
Other financial expenses	5	(6,055,041)	(5,880,347)
Profit/loss before tax		6,759,189	5,030,396
Tax on profit/loss for the year	6	(4,346,859)	(3,574,000)
Profit/loss for the year	7	2,412,330	1,456,396

Balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Other fixtures and fittings, tools and equipment		294,908,940	292,493,607
Property, plant and equipment	8	294,908,940	292,493,607
Fixed assets		294,908,940	292,493,607
Trade receivables		26,424,246	19,816,665
Receivables from group enterprises		5,487,970	4,640,753
Other receivables		1,786,269	392,713
Prepayments	9	6,464,134	6,616,411
Receivables		40,162,619	31,466,542
Cash		6,405,504	3,158,177
Current assets		46,568,123	34,624,719
Assets		341,477,063	327,118,326

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital	10	600,000	600,000
Retained earnings		493,587	81,257
Proposed dividend		2,000,000	1,900,000
Equity		3,093,587	2,581,257
Deferred tax	11	7,920,859	3,574,000
Provisions		7,920,859	3,574,000
Lease liabilities		168,609,403	190,312,768
Payables to group enterprises		66,102,010	54,571,471
Non-current liabilities other than provisions	12	234,711,413	244,884,239
Current portion of non-current liabilities other than provisions	12	79,386,581	66,228,809
Trade payables		14,541,401	6,293,254
Payables to group enterprises		330,180	1,858,360
Other payables		1,493,042	1,698,407
Current liabilities other than provisions		95,751,204	76,078,830
Liabilities other than provisions		330,462,617	320,963,069
Equity and liabilities		341,477,063	327,118,326
Events after the balance sheet date	1		
Contingent liabilities	13		
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Statement of changes in equity for 2022

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	600,000	81,257	1,900,000	2,581,257
Ordinary dividend paid	0	0	(1,900,000)	(1,900,000)
Profit/loss for the year	0	412,330	2,000,000	2,412,330
Equity end of year	600,000	493,587	2,000,000	3,093,587

Notes

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

	2022	2021
	DKK	DKK
Wages and salaries	3,756,850	3,778,230
Pension costs	494,464	437,133
Other social security costs	66,180	90,671
Other staff costs	(157,174)	(354,806)
	4,160,320	3,951,228
Number of employees at balance sheet date	6	6

3 Depreciation, amortisation and impairment losses

	2022	2021
	DKK	DKK
Depreciation of property, plant and equipment	58,216,951	51,937,670
	58,216,951	51,937,670

4 Other financial income

	2022	2021
	DKK	DKK
Financial income from group enterprises	95,537	52,590
Other interest income	0	59,419
Exchange rate adjustments	10,282	0
	105,819	112,009

5 Other financial expenses

	2022	2021
	DKK	DKK
Financial expenses from group enterprises	1,262,243	1,024,526
Other interest expenses	4,772,238	4,745,763
Exchange rate adjustments	20,560	110,058
	6,055,041	5,880,347

6 Tax on profit/loss for the year

	2022 DKK	2021 DKK
Change in deferred tax	4,346,859	3,574,000
	4,346,859	3,574,000

7 Proposed distribution of profit and loss

	2022 DKK	2021 DKK
Ordinary dividend for the financial year	2,000,000	1,900,000
Retained earnings	412,330	(443,604)
	2,412,330	1,456,396

8 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	450,973,703
Additions	75,377,597
Disposals	(31,403,514)
Cost end of year	494,947,786
Depreciation and impairment losses beginning of year	(158,480,096)
Depreciation for the year	(58,216,951)
Reversal regarding disposals	16,658,201
Depreciation and impairment losses end of year	(200,038,846)
Carrying amount end of year	294,908,940
Recognised assets not owned by entity	289,757,786

9 Prepayments

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

10 Share capital

	Number	Par value DKK	Nominal value DKK
Shares	600,000	1	600,000
	600,000		600,000

11 Deferred tax

	2022 DKK	2021 DKK
Property, plant and equipment	64,680,000	65,003,000
Liabilities other than provisions	(54,559,000)	(59,299,000)
Tax losses carried forward	(2,200,141)	(2,130,000)
Deferred tax	7,920,859	3,574,000

	2022 DKK	2021 DKK
Changes during the year		
Beginning of year	3,574,000	0
Recognised in the income statement	4,346,859	3,574,000
End of year	7,920,859	3,574,000

12 Non-current liabilities other than provisions

	Due within 12 months 2022 DKK	Due within 12 months 2021 DKK	Due after more than 12 months 2022 DKK	Outstanding after 5 years 2022 DKK
Lease liabilities	79,386,581	66,228,809	168,609,403	1,503,138
Payables to group enterprises	0	0	66,102,010	0
	79,386,581	66,228,809	234,711,413	1,503,138

13 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 for income taxes etc. for the jointly taxed entities, and 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 .

14 Assets charged and collateral

Certain items of plant and machinery, and other fixtures etc have been financed by means of finance leases. The carrying amount of assets held under finance leases is DKK 289,757,786. Some of the finance leases is secured by account receivable.

15 Related parties with controlling interest

PNO Holding A/S, Copenhagen, holds all shares in PNO Danmark A/S.

16 Transactions with related parties

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

17 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
PNO Holding A/S, Copenhagen

Accounting policies

Reporting class

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

The accounting policies applied to these 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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, work capitalised, other operating income, cost of raw materials and consumables and external expenses.

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 recognized in the income statement when:

- 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 recognized 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.

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. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and 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, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other financial income

Other financial income comprises 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, and 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, and 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 Entity is jointly taxed with Jacob Lee Ørnstrand Holding A/S. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Property, plant and equipment**

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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 assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

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:

	Useful life
Other fixtures and fittings, tools and equipment	3-8 years
Trailers (included in above)	3-8 years

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.

Receivables

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

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.

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.

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.

Other financial liabilities

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

Cash flow statement

Referring to section 86(4) of the Danish Financial Statements Act, the Entity has prepared no cash flow statement as such statement is included in the consolidated cash flow statement of PNO Holding A/S, Business Reg. No. 26101409