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PNO DANMARK A/S
Mossvej 17
8700 Horsens
Business Registration No
29173982

Annual report 2019

The Annual General Meeting adopted the annual report on 02.03.2020

Chairman of the General Meeting

Name: Thomas Glen Rimington

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Entity details

Entity

PNO DANMARK A/S
Mossvej 17
8700 Horsens

Central Business Registration No (CVR): 29173982

Registered in: Horsens

Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Thomas Aagaard Pejter
Jacob Nelson Lee Ørnstrand
Thomas Glen Rimington

Executive Board

Jacob Nelson Lee Ørnstrand

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

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 DANMARK A/S for the financial year 01.01.2019 - 31.12.2019.

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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

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, 02.03.2020

Executive Board

Jacob Nelson Lee Ørnstrand

Board of Directors

Thomas Aagaard Pejter

Jacob Nelson Lee Ørnstrand

Thomas Glen Rimington

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 01.01.2019 - 31.12.2019, 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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 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 of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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:

Independent auditor's report

- 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.

Independent auditor's report

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, 02.03.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR)
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

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 loss of TDKK 1.604, which is considered to be less satisfactory. In the company's balance sheet per December 31, 2019, equity amounted to DKK 11.133 thousand.

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 2019

	<u>Notes</u>	<u>2019 DKK</u>	<u>2018 DKK</u>
Gross profit		50.622.055	37.200.347
Staff costs	1	(3.587.409)	(2.990.921)
Depreciation, amortisation and impairment losses	2	<u>(43.851.429)</u>	<u>(31.342.505)</u>
Operating profit/loss		3.183.217	2.866.921
Other financial income		0	20.638
Other financial expenses	3	<u>(4.786.941)</u>	<u>(3.525.493)</u>
Profit/loss before tax		(1.603.724)	(637.934)
Tax on profit/loss for the year		<u>0</u>	<u>0</u>
Profit/loss for the year		<u>(1.603.724)</u>	<u>(637.934)</u>
Proposed distribution of profit/loss			
Ordinary dividend for the financial year		5.000.000	0
Retained earnings		<u>(6.603.724)</u>	<u>(637.934)</u>
		<u>(1.603.724)</u>	<u>(637.934)</u>

Balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 DKK</u>	<u>2018 DKK</u>
Other fixtures and fittings, tools and equipment		<u>238.517.792</u>	<u>207.968.126</u>
Property, plant and equipment	4	<u>238.517.792</u>	<u>207.968.126</u>
Fixed assets		<u>238.517.792</u>	<u>207.968.126</u>
Trade receivables		17.621.909	15.550.690
Receivables from group enterprises		1.015.586	1.431.070
Other receivables		1.404.317	1.030.790
Prepayments		<u>3.451.270</u>	<u>3.842.944</u>
Receivables		<u>23.493.082</u>	<u>21.855.494</u>
Cash		<u>981.486</u>	<u>321.671</u>
Current assets		<u>24.474.568</u>	<u>22.177.165</u>
Assets		<u>262.992.360</u>	<u>230.145.291</u>

Balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019</u> <u>DKK</u>	<u>2018</u> <u>DKK</u>
Contributed capital		600.000	600.000
Retained earnings		5.532.942	12.136.666
Proposed dividend		<u>5.000.000</u>	<u>0</u>
Equity		<u>11.132.942</u>	<u>12.736.666</u>
Finance lease liabilities		170.947.024	161.944.885
Payables to group enterprises		30.411.572	17.606.491
Other payables		<u>132.799</u>	<u>0</u>
Non-current liabilities other than provisions	5	<u>201.491.395</u>	<u>179.551.376</u>
Current portion of long-term liabilities other than provisions	5	46.690.278	32.402.519
Trade payables		3.244.239	1.759.375
Payables to group enterprises		0	3.052.390
Other payables		<u>433.506</u>	<u>642.965</u>
Current liabilities other than provisions		<u>50.368.023</u>	<u>37.857.249</u>
Liabilities other than provisions		<u>251.859.418</u>	<u>217.408.625</u>
Equity and liabilities		<u>262.992.360</u>	<u>230.145.291</u>
Unrecognised rental and lease commitments	6		
Contingent liabilities	7		
Related parties with controlling interest	8		
Transactions with related parties	9		

Statement of changes in equity for 2019

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	600.000	12.136.666	0	12.736.666
Profit/loss for the year	<u>0</u>	<u>(6.603.724)</u>	<u>5.000.000</u>	<u>(1.603.724)</u>
Equity end of year	<u>600.000</u>	<u>5.532.942</u>	<u>5.000.000</u>	<u>11.132.942</u>

Notes

	2019	2018
	DKK	DKK
1. Staff costs		
Wages and salaries	3.126.752	2.655.944
Pension costs	443.690	383.715
Other social security costs	138.155	45.675
Other staff costs	(121.188)	(94.413)
	3.587.409	2.990.921
Average number of employees	6	5
	2019	2018
	DKK	DKK
2. Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	43.851.429	31.342.505
	43.851.429	31.342.505
	2019	2018
	DKK	DKK
3. Other financial expenses		
Financial expenses from group enterprises	410.799	186.858
Other interest expenses	4.147.054	3.067.943
Exchange rate adjustments	229.088	270.692
	4.786.941	3.525.493

Notes

	Other fixtures and fittings, tools and equipment DKK
4. Property, plant and equipment	
Cost beginning of year	256.617.749
Additions	80.857.886
Disposals	<u>(10.641.393)</u>
Cost end of year	<u>326.834.242</u>
Depreciation and impairment losses beginning of year	(48.649.623)
Depreciation for the year	(43.851.429)
Reversal regarding disposals	<u>4.184.602</u>
Depreciation and impairment losses end of year	<u>(88.316.450)</u>
Carrying amount end of year	<u>238.517.792</u>
Recognised assets not owned by entity	<u>230.330.717</u>

	Due within 12 months 2019 DKK	Due within 12 months 2018 DKK	Due after more than 12 months 2019 DKK	Outstanding after 5 years DKK
5. Liabilities other than provisions				
Finance lease liabilities	46.690.278	32.402.519	170.947.024	597.293
Payables to group enterprises	0	0	30.411.572	0
Other payables	<u>0</u>	<u>0</u>	<u>132.799</u>	<u>0</u>
	<u>46.690.278</u>	<u>32.402.519</u>	<u>201.491.395</u>	<u>597.293</u>

	2019 DKK	2018 DKK
6. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	<u>665.556</u>	<u>77.863</u>

Notes

7. 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

8. Related parties with controlling interest

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

9. 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.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

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

Reclassifications of a few items of the balance sheet and the income statements have been made which has not affected profit/loss.

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.

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, between 1.5% and 4.2%, as the discount rate. 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.

Income statement

Gross profit or loss

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

Accounting policies

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 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.

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 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.

Other financial income

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

Accounting policies

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses, 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 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:

Other fixtures and fittings, tools and equipment (including trailers)	3-7 years
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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.

Accounting policies

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.

Finance lease liabilities

Lease commitments 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 commitments 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.