Cramo A/S

Fabriksparken 30-32

2600 Glostrup

CVR No. 11033911

Annual Report 2016

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 22 May 2017

Chairman

Contents

Cramo A/S

Management's Statement

Today, Management has considered and adopted the Annual Report of Cramo A/S for the financial year 1 January 2016 - 31 December 2016.

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 assets, liabilities and financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January 2016 - 31 December 2016.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Glostrup, 22 May 2017

Executive Board

Lasse Wittrup Ludvigsen

Supervisory Board

Göran Carlson Chairman	Lasse Wittrup Ludvigsen	Leif Gustafsson

Independent Auditor's Report

To the shareholders of Cramo A/S

Opinion
We have audited the financial statements of Cramo A/S for the financial year 1. januar 2016 - 31. december 2016, which comprise an income statement, balance sheet statement of changes in equity and notes, including 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 Company's financial position at 31. december 2016 and of the results of its operations for the financial year 1. januar 2016 - 31. december 2016 in accordance with the Danish Financial Statements Act.

Basis of opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in our auditors' report under "Auditors' responsibility for the audit of the financial statements". As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Company, 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 responsibility 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 considers 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 Company's ability to continue as a going concern; disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting in preparing the financial statements unless Management either intends to either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

The auditor's responsibility for the audit of the financial statements
Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain an attitude of professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatements in 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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 Company's internal control.

Independent Auditor's Report

- Evaluate whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.

- Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect 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 which we identify during our audit.

Statement on Management's Review
Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of opinion providing assurance regarding the Management's review.

Our responsibility in connection with our audit of the financial statements is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

København, 22. maj 2017

KPMG
Statsautoriseret Revisionspartnerselskab
CVR-no. 25578198

Henrik O. Larsen
State Authorised Public Accountant

Company details

Company	Cramo A/S Fabriksparken 30-32 2600 Glostrup
CVR No.	11033911
Financial year	1 January 2016 - 31 December 2016
Supervisory Board	Göran Carlson, Chairman Lasse Wittrup Ludvigsen Leif Gustafsson
Executive Board	Lasse Wittrup Ludvigsen
Auditors	KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28 2100 København Ø CVR-no.: 25578198

Management's Review

The Company's principal activities
In Denmark, Cramo A/S rents building and construction machinery, lifts, cranes, hoists, site huts and pavilions to the building and construction industry, the industrial sector, the service sector and the public sector. Cramo A/S has 7 rental depots in Denmark and employs some 100 employees. Cramo A/S is a Danish company in the pan-European Cramo group. The group's parent company, Cramo Finland Oy, is listed on the Helsinki Stock Exchange. The Cramo group rents equipment through 360 rental depots in Finland, Sweden, Norway, Germany, Austria, Hungary, the Baltic Countries, Poland and the Czech and Slovakian Republic. The group has some 2,500 employees.

Development in activities and financial matters
The Company's Income Statement for the year 2016 shows a net profit of DKK 22.135 thousand and the Balance Sheet at 31. december 2016 shows equity of DKK 168.251 thousand.
The main reason for the improved financial performance is improved internal effiency and favorable marked conditions.

Operating risk
The company's main operating risk is related to market conditions, including competitive conditions. However, with Cramo A/S being one of the largest suppliers of rental equipment in Denmark, and given the executed restructuring and adaptation to the market, this risk is currently considered less significant.

Interest rate risks
Interest-bearing net debts amounts to a relatively large share of the company's balance sheet total. However, with interest rates fixed based on 3 and 12-months Cibor rates in November 2011, changes in interest rates will not have any significant effect on earnings.

Profit for the year compared with previously stated expectations
The Company again realized significantly improved earnings in 2016 as expected at the presentation of the annual report for 2015.

Events after the balance sheet date
No events have occured after the financial year end which could significantly after the Company's financial position.

Outlook
The Company expects a profit before tax for 2017 in line with the profit for 2016.

Impact on the external enviroment
Efforts to protect the enviroment and assure quality are an important element of Cramo's activities. In order to make sure that this area is handled efficiently, Cramo has been certified according to ISO 14001 and ISO 9001, which lay down strict enviromental and quality requirements.

Knowledge resources
Based on its long-standing activities in the market for rental and marketing of modular space and building and construction machinery, The Company has build highly skilled and experienced staff.

Social responsibility
Cramo A/S is a member of UN Global Compact, the world's largest voluntary corporate social responsibility network. Members actively support the UN's fundamental values and principles in the area of human rights, labor, enviroment and anti-corruption.

Within the framework of UN Global Compact, the Cramo group has drawn up a set of ethical rules to be complied with by all group employees. The decision to join UN Global Compact was made by group management but encompasses all Cramo entities and divisions.

Cramo A/S

Key Figures and Financial Ratios

The development in the Company's key figures and financial ratios can be described as follows:
Numbers appear in thousands

	2016	2015	2014	2013	2012
Key figures					
Revenue	238.057	210.742	219.728	212.943	280.250
Gross profit	127.789	103.892	75.517	83.539	67.759
Profit/loss before financial income and expenses	29.399	12.076	-24.638	334	-37.277
Net financial income and expenses	-7.264	-6.569	-6.209	-7.194	-10.835
Profit/loss for the year	22.135	10.690	-30.847	-6.860	-48.111
Total assets	529.282	456.780	372.745	324.196	324.988
Investment in property, plant and equipment	120.202	154.338	100.056	53.204	45.323
Total equity	168.251	86.116	75.426	56.273	23.133
Avg. number of full-time employees	98	100	113	107	133
Ratios					
Return on assets (%)	5,98	2,93	-7,07	0,10	-11,70
Solvency ratio (%)	31,79	18,85	20,20	17,40	7,10

For definitions of key ratios, see Accounting and Valuation Principles

Cramo A/S

Income Statement

	Note	2016 DKK '000	2015 DKK '000
Revenue		238.057	210.742
Other operating income		7.910	6.815
Other external expenses		-118.178	-113.665
Gross result		**127.789**	**103.892**
Employee benefits expense	1	-51.064	-50.054
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss	2	-47.326	-41.762
Profit from ordinary operating activities		**29.399**	**12.076**
Other finance income	3	68	67
Finance expences	4	-7.332	-6.636
Profit from ordinary activities before tax		**22.135**	**5.507**
Tax expense on ordinary activities	5	0	5.183
Profit	6	**22.135**	**10.690**

Cramo A/S

Balance Sheet as of 31. December

	Note	2016 DKK '000	2015 DKK '000
Assets			
Acquired intangible assets	7	3.863	4.724
Intangible assets		3.863	4.724
Land and buildings	8	8.287	8.415
Plant and machinery	9	431.436	369.336
Fixtures, fittings, tools and equipment	10	5.197	7.542
Property, plant and equipment		444.920	385.293
Other long-term receivables		5.493	5.754
Investments		5.493	5.754
Fixed assets		454.276	395.771
Raw materials and consumables		1.656	2.066
Inventories		1.656	2.066
Short-term trade receivables		68.167	42.105
Contract work in progress	11	0	0
Current deferred tax	12	5.183	5.183
Deferred income	13	0	11.655
Receivables		73.350	58.943
Current assets		75.006	61.009
Assets		529.282	456.780

Cramo A/S

Balance Sheet as of 31. December

	Note	2016 DKK '000	2015 DKK '000
Liabilities and equity			
Contributed capital		11.000	11.000
Retained earnings		157.251	75.116
Equity		**168.251**	**86.116**
Loan from group entities		126.000	250.000
Long-term liabilities other than provisions		**126.000**	**250.000**
Debt to banks		3.367	22.502
Trade payables		46.666	40.549
Payables to group enterprises		663	874
Loan from group entities		160.000	40.000
Other payables		19.887	16.228
Deferred income, liabilities		4.448	511
Short-term liabilities other than provisions		**235.031**	**120.664**
Liabilities other than provisions within the business		**361.031**	**370.664**
Liabilities and equity		**529.282**	**456.780**

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Statement of changes in Equity

	Contributed capital	Retained earnings	Total
Equity 1 January 2016	11.000	75.116	86.116
Increase of capital	0	60.000	60.000
Profit (loss)	0	22.135	22.135
Equity 31 December 2016	**11.000**	**157.251**	**168.251**

The share capital consists of 11,000 shares of a nominal value of DKK 1,000 each. No shares carry any special rights.

The Company's share capital has remained unchanged in the amount of DKK 11,000,000 in the past 5 years.

Notes

	2016 DKK '000	2015 DKK '000

1. Employee benefits expense

Wages and salaries	45.940	45.246
Post-employement benefit expense	3.601	3.518
Social security contributions	657	723
Other employee expense	866	567
	51.064	50.054
Average number of employees	98	100

Some of the Company's executive staff are entitled to receive shares in Cramo Plc. At 31 December, the Company's liability in connection with the scheme amounted to DKK 1.701 tousand (2015: DKK 1.356 thousand)

By reference to section 98(b)(ii) of the Danish Financial Statements Act, remuneration to Management is not disclosed.

2. Depreciation, amortisation and impairment losses of intangible assets and property, plant and equipment

Depreciation of intangible assets	861	847
Depreciation property, plant and equipment	46.465	40.915
	47.326	41.762

3. Finance income

Interest received from group entities	68	67
	68	67

4. Finance expenses

Financial expenses paid to group enterprises	6.835	6.372
Other finance expenses	497	264
	7.332	6.636

5. Tax expense

Reversal of write-down of tax asset	0	-5.183
	0	-5.183

6. Distrubition of profit

Retained earnings	22.135	10.690
	22.135	10.690

Notes

	2016 DKK '000	2015 DKK '000
7. Acquired intangible assets		
Cost at the beginning of the year	6.601	6.547
Addition during the year	0	54
Cost at the end of the year	**6.601**	**6.601**
Depreciation and amortisation at the beginning of the year	-1.877	-1.030
Amortisation for the year	-861	-847
Impairment losses and amortisation at the end of the year	**-2.738**	**-1.877**
Carrying amount at the end of the year	**3.863**	**4.724**
8. Land and buildings		
Cost at the beginning of the year	8.462	0
Addition during the year	483	8.462
Cost at the end of the year	**8.945**	**8.462**
Depreciation and amortisation at the beginning of the year	-47	0
Amortisation for the year	-611	-47
Impairment losses and amortisation at the end of the year	**-658**	**-47**
Carrying amount at the end of the year	**8.287**	**8.415**
9. Plant and machinery		
Cost at the beginning of the year	519.567	404.161
Addition during the year	118.761	145.041
Disposal during the year	-32.839	-29.268
Transfers during the year to other items	0	-367
Cost at the end of the year	**605.489**	**519.567**
Depreciation and amortisation at the beginning of the year	-150.231	-134.443
Amortisation for the year	-42.805	-37.468
Reversal of impairment losses and amortisation of disposed assets	18.983	21.609
Reversal of prior years' impairment losses and amortisation	0	71
Impairment losses and amortisation at the end of the year	**-174.053**	**-150.231**
Carrying amount at the end of the year	**431.436**	**369.336**

Notes

	2016 DKK '000	2015 DKK '000
10. Fixtures, fittings, tools and equipment		
Cost at the beginning of the year	24.418	30.091
Addition during the year	712	835
Disposal during the year	-14	-6.875
Transfers during the year to other items	0	367
Cost at the end of the year	**25.116**	**24.418**
Depreciation and amortisation at the beginning of the year	-16.876	-19.353
Amortisation for the year	-3.049	-3.400
Reversal of impairment losses and amortisation of disposed assets	6	5.948
Reversal of prior years' impairment losses and amortisation	0	-71
Impairment losses and amortisation at the end of the year	**-19.919**	**-16.876**
Carrying amount at the end of the year	**5.197**	**7.542**
11. Contract work in progress		
Sales value of work	0	52.687
Progress billings on contracts in progress	0	-52.687
Net value of contract work	**0**	**0**
12. Deferred tax asset		
Deferred tax at 1 January	55.155	52.475
Adjustment of deferred tax concerning previous years	0	3.916
Deferred tax adjustment for the year	-4.907	-1.236
Deferred tax at 31 December	**50.248**	**55.155**
Write-down of deferred tax at 1 January	-49.972	-52.475
Reversal of writedown	5.183	5.183
Adjustment for the year	-276	-2.680
Write-down of deferred tax at 31 December	**-45.065**	**-49.972**
Deferred tax asset	**5.183**	**5.183**
13. Prepayments		
Prepaid expenses relating module up and dismantling	0	8.344
Other customer related expenses	0	2.702
Other prepaid expenses	0	609
	0	11.655

Prepayments comprise prepaid expenses regarding rent etc.

Notes

14. Contingent liabilities and other financial obligations

Other rent and lease obligations:

Rent and lease obligations off DKK 48.869 thousand (2015: DKK 56.457 thousand).

15. Collaterals and securities

The Company has provided bank guarantees of a total amount of DKK 664 thousand (2015: DKK 664 thousand) as collateral for the Company's contract work in progress.

16. Related parties

Controlling interest

Cramo Finland Oy, Kalliosolantie 2, Vantaa, Finland

Cramo A/S is included in the consolidated financial statements of Cramo Finland Oy. The consolodated financial statements can be obtained at www.cramo.com

Notes

17. Accounting policies

Reporting Class
The Annual Report of Cramo A/S for 2016 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The enity's cash flows are part of consolidated cash flow statement for the higher-ranking parent company, Cramo Finland Oy.

Foreign currency translation
Transactions denominated in foreign currencies are translated into Danisk kroner at the exchange rates at the date of the transaction.

Monetary items denominated in foreign currencies are translated into Danish kroner at the exchange rates at the balance sheet date. Realised and unrealised exchange gains and losses are recognised in the income statement as financial income/-expenses.

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income Statement

Revenue
Rental income from rental equipment is accrued and recognised as income assording to contracts concluded, VAT, indirect taxes and discounts are excluded from revenue.

Income from construction contracts is recognised as revenue as production is carried out. Thus revenue corresponds to the selling price of the work performed for the year.

Notes

Revenue is measured net of all types of discounts and rebates granted. Also, revenue is measured excluding VAT and other indirect taxes charged on behalf of third parties.

Other operating income
Other operating income and operating expenses comprise items of a secondary nature relative to the Company's core activities, including gains or losses on the sale of non-current assets.

Other external costs
Other external costs include expenses related to distribution, sale, advertising, administration, premises, bad debt losses, operating leases, etc.

Staff costs
Staff costs include wages and salaries, including holiday allowance and pensions as well as other social security contributions, etc., made to the entity's employees. The item is net of refunds received from public authorities.

Amortisation, depreciation and impairment losses
The item includes amortisation of intangible assets, depreciation on property, plant and equipment and impairment losses. Amortisation/depreciation is provided on a straight-line basis based on cost together with the estimated useful life and residual value.

Financial income and expenses
Financial income and expenses are recognised in the income statement at the amounts that concern the financial year. Financial income and expenses include interest income and expenses as well as additions and surcharges under the on-account tax scheme, etc.

Tax on profit/loss for the year
Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments for the year less the share of tax for the year that relates to changes in equity.

Current tax and deferred tax relating to changes in equity are recognised directly in equity.

Balance Sheet

Intangible assets
Other intangible assets include development projects and other acquired intangible rights.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

The estimated useful lives for acquired IP rights are 5 years with a residual value of DKK 0.

Property, plant and equipment
Property, plant and equipment comprise building, plant and machinery and other fixtures and fittings, tools and equipment. Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

	Useful life	Residual value
Buildings	10 years	40%
Plant and machinery	3-20 years	0-15%
Fixtures and fittings, tools and equipment	3-7 years	0-15%

Impairment of fixed assets
Intangible assets and property, plant and equipment are reviewed annually for impairment. Where there is indication of impairment, an impairment test is carried out for each individual asset or group of assets,

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respectively, generating independent cash flows. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if this is lower than the carrying amount. Where an impairment loss is recognised on a group of assets, a loss must first be allocated to goodwill and then to the other assets on a pro rata basis.

Inventories
Inventories are measured at the lower of cost, measured by reference to the FIFO method, and net realisable value.

Receivables
Receivables are measured at amortised cost, which usually corresponds to the nominal value. The value is reduced by write-downs for bad debts.

Contract work in progress
Service supplies in progress and contract work in progress are measured at the sales value of the work performed less on-account invoicing. The sales value is calculated on the basis of the percentage of completion at the balance sheet date and the total expected income from the relevant contract. The percentage of completion is determined based on costs incurred relative to the expected total expenses on each individual work in progress.

Where the outcome of contract work in progress cannot be measured reliably, the market value is measured measured at the costs incurred to the extent they are expected to be paid by the buyer.

When the total expenses relating to the work in progress are expected to exceed the total sales value, the expected loss is recognised as a onerous contract under provisions and is expensed in the income statement.

The value of each contract in progress less prepayment is classified as assets when the sales value exceeds prepayment and as liabilities when prepayments exceeds the sales value.

Prepayments
Prepayments recognised under assets comprise prepaid expenses regarding subsequent financial years.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and bank balances.

Equity
Dividends proposed for the financial year are presented as a seperate item under equity.

Provisions
Provisions comprise anticipated costs relating to gurantee commitments, loss on work in progress, restructurings, etc. Provisions are recognised when, as a result of a past event, the Company has a legal or constructive obligation at the balance sheet date, and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation.

Restructuring provisions comprise severance pay to employees, losses due termination of agreements, etc., arising in connection with Management's decision to restructure the business. Restructuring provisions are recognised when Management has made a decision to restructure the business before the balance sheet date, and when it can be rendered probable at the balance sheet date that the restructuring will be carried out.

Corporation tax
Current tax liabilities are recognised in the balance sheet as the calculated tax on the expected taxable income for the year, adjusted for tax on prior years' taxable income and tax paid on account.

Provisions for deferred tax are calculated at 22% of all temporary differences between carrying amounts and tax values, with the exeption of temporary differences occuring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, and temporary diffences on non-amortisable

Notes

goodwill.

Deferred tax assets are recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or a sett-off against tax liabilities.

Liabilities other than provisions
Financial liabilities are recognised at the date of borrowing at the proceeds received net of transaction costs incurred. Interest-bearing debt is subsequently measured at amortised cost using the effective interest rate method. Borrowing costs, including capital losses, are recognised as financing costs in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

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

Financial highlights overview

Return on assets (%) = $\dfrac{\text{Profit/loss before financial income and expenses X 100}}{\text{Avg. assets}}$

Solvency ratio (%) = $\dfrac{\text{Equity at year end X 100}}{\text{Total assets at year end}}$