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Ramirent A/S
Hundigevej 85
2670 Greve
Central Business Registration No
26708664

Annual report 2016

The Annual General Meeting adopted the annual report on 19.06.2017

Chairman of the General Meeting

Name: Jonas Ulf Söderkvist / Pierre Bronsson

Contents

Entity details

Entity
Ramirent A/S
Hundigevej 85
2670 Greve

Central Business Registration No: 26708664
Registered in: Greve
Financial year: 01.01.2016 - 31.12.2016

Board of Directors
Tapio Kolunsarka, Formand
Pierre Brorsson
Dino Leistenschneider

Executive Board
Jonas Ulf Söderkvist

Entity auditors
PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab
Strandvejen 44 2900
Hellerup

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Ramirent A/S for the financial year 01.01.2016 - 31.12.2016.

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 Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

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.

Greve, 19/6 -2017

Executive Board

Jonas Ulf Söderkvist

Board of Directors

Tapio Kolunsarka
Formand

Pierre Brorsson

Dino Leistenschneider

Independent auditor's report

To the shareholders of Ramirent A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2016, and of the results of the Company's operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Ramirent A/S for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 our report. We are independent of the Company in accordance with the International Ethics Standards Board for 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 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 liquidate the Company 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.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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 Company'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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, 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 Management's Review.

Our opinion on the financial statements does not cover Management's Review, 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 Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review 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 in Management's Review.

Independent auditor's report

København, 19.06.2017

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33771231

Jan Wright
Statsautoriseret revisor

Lasse Fuglsang Pedersen
Statsautoriseret revisor

Management commentary

	2016 DKK'000	2015 DKK'000	2014 DKK'000	2013 DKK'000	2012 DKK'000
Financial highlights					
Key figures					
Revenue	310.531	315.943	293.867	328.780	333.207
Gross profit/loss	134.938	116.302	97.000	22.000	65.000
Operating profit/loss	12.862	1.651	(31.122)	(33.382)	10.056
Net financials	(439)	(835)	(582)	(191)	(709)
Profit/loss for the year	9.531	311	(21.919)	(25.093)	6.914
Total assets	264.515	226.398	243.281	273.433	288.307
Investments in property, plant and equipment	(132.174)	(31.629)	(32.562)	(49.132)	(18.683)
Equity	191.675	182.144	181.833	203.752	228.846
Employees in average	146	149	154	188	190
Ratios					
Gross margin (%)	43,5	36,8	33,0	6,7	19,5
Return on equity (%)	5,1	0,2	(11,4)	(11,6)	3,1
Equity ratio (%)	72,5	80,5	74,7	74,5	79,4
Profit margin (%)	4,1	0,5	(10,6)	(10,2)	3,0
Return on assets (%)	4,8	0,7	(12,8)	(12,2)	3,5

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Ratios
Gross margin (%)	$\frac{\text{Gross profit/loss x 100}}{\text{Revenue}}$	The entity's operating gearing.
Return on equity (%)	$\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity x 100}}{\text{Total assets}}$	The financial strength of the entity.
Profit margin (%)	$\frac{\text{Operating profit x 100}}{\text{Revenue}}$	The Entity's gearing.
Return on assets (%)	$\frac{\text{Operating profit x 100}}{\text{Total assets}}$	The Entity's return on the total capital in the Entity.

Management commentary

Primary activities

Ramirent A/S is one of Denmark's largest equipment suppliers and is nationwide with 13 customer centers throughout the country, located in Greve, Hillerød, Helsingør, Næstved, Kalundborg, Slagelse, Odense, Kolding, Vejle, Esbjerg, Herning, Risskov, and Aalborg.

Ramirent offers total solutions for construction sites, including design, planning, consulting, operation and maintenance at the construction site.

Ramirent's main products are rental of construction equipment, lifts, power and heating and modules.

The products are sold solely in Denmark

Development in activities and finances

The overall market conditions in the equipment rental market were fairly good in 2016.

In General Rental, demand was supported by good activity in residential construction and growing renovation, especially in the first half of the year.

Good demand for temporary space rental continued throughout the year.

On average, Ramirent A/S employed 146 employees in 2016.

The net sales decreased by 1,7%.

The operating profit increased from 1,7 MDKK in 2015 to 13,4 MDKK in 2016.
Despite lower volume operating profit improved due to lower fixed costs and better control of material and service costs. Systematic cost reduction measures throughout the year have resulted in a lower cost base in the operations.

The company's earnings are still not satisfactory, but the continued optimization of the company, as well as an expected rising rental market, is expected to have a positive impact on earnings in 2017.

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 2016

	Notes	2016 DKK'000	2015 DKK'000
Revenue		310.531	315.943
Other operating income		1.890	2.021
Costs of raw materials and consumables		(118.725)	(135.006)
Other external expenses		(58.758)	(66.656)
Gross profit/loss		**134.938**	**116.302**
Staff costs	1	(78.275)	(73.992)
Depreciation, amortisation and impairment losses	2	(43.801)	(40.659)
Operating profit/loss		**12.862**	**1.651**
Other financial expenses	3	(439)	(835)
Profit/loss before tax		**12.423**	**816**
Tax on profit/loss for the year	4	(2.892)	(505)
Profit/loss for the year	5	**9.531**	**311**

Balance sheet at 31.12.2016

	Notes	2016 DKK'000	2015 DKK'000
Goodwill		252	551
Intangible assets	6	**252**	**551**
Land and buildings		1.593	1.616
Plant and machinery		191.175	129.193
Leasehold improvements		828	895
Property, plant and equipment	7	**193.596**	**131.704**
Investments in associates		5.000	5.000
Deposits		0	1.016
Fixed asset investments	8	**5.000**	**6.016**
Fixed assets		**198.848**	**138.271**
Manufactured goods and goods for resale		6.281	5.859
Inventories		**6.281**	**5.859**
Trade receivables		54.762	72.417
Receivables from group enterprises		5	2.015
Deferred tax	10	0	765
Other receivables		268	2.454
Prepayments	9	4.351	4.617
Receivables		**59.386**	**82.268**
Current assets		**65.667**	**88.127**
Assets		**264.515**	**226.398**

Balance sheet at 31.12.2016

	Notes	2016 DKK'000	2015 DKK'000
Contributed capital		28.000	28.000
Retained earnings		163.675	154.144
Equity		**191.675**	**182.144**
Deferred tax	10	2.060	0
Other provisions	11	2.475	2.998
Provisions		**4.535**	**2.998**
Trade payables		26.257	26.399
Payables to group enterprises		31.165	4.714
Other payables		10.883	10.143
Current liabilities other than provisions		**68.305**	**41.256**
Liabilities other than provisions		**68.305**	**41.256**
Equity and liabilities		**264.515**	**226.398**
Contingent liabilities	12		
Mortgages and securities	13		
Related parties with controlling interest	14		

Statement of changes in equity for 2016

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	28.000	154.144	182.144
Profit/loss for the year	0	9.531	9.531
Equity end of year	**28.000**	**163.675**	**191.675**

The share capital consists of 280,000 shares with a nominal value of DKK 100. No shares has special rights.

There have been no changes in the share capital over the last 5 years.

Notes

	2016 DKK'000	2015 DKK'000
1. Staff costs		
Wages and salaries	63.688	60.724
Pension costs	13.459	12.653
Other staff costs	1.128	615
	78.275	**73.992**
Average number of employees	**146**	**149**

Referring to section 98 B(3) of the Danish Financial Statements Act, the remuneration for the Executive Board has not been disclosed.

Ramirent Finland has three share-based incentive programmes for the periods 2014-2016 and 2015-2017 for senior employees of the group, also including Danish management employees.

The programmes are partly based on equity, partly on cash. It applies to them all that allotment of shares is based on the development of a number of financial ratios. Earning takes place during the effective years of the individual programmes and will partly be paid in shares, partly in cash. Please see further description of the incentive programmes in note no. 4 of Ramirent PLC's annual report 2016.

	2016 DKK'000	2015 DKK'000
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	299	299
Depreciation of property, plant and equipment	43.502	40.360
	43.801	**40.659**

	2016 DKK'000	2015 DKK'000
3. Other financial expenses		
Financial expenses from group enterprises	242	237
Interest expenses	169	332
Exchange rate adjustments	28	266
	439	**835**

Notes

	2016 DKK'000	2015 DKK'000
4. Tax on profit/loss for the year		
Change in deferred tax for the year	2.892	(51)
Adjustment concerning previous years	0	556
	2.892	**505**

	2016 DKK'000	2015 DKK'000
5. Proposed distribution of profit/loss		
Retained earnings	9.531	311
	9.531	**311**

	Goodwill DKK'000
6. Intangible assets	
Cost beginning of year	25.322
Cost end of year	**25.322**
Amortisation and impairment losses beginning of year	(24.771)
Amortisation for the year	(299)
Amortisation and impairment losses end of year	**(25.070)**
Carrying amount end of year	**252**

Notes

	Land and buildings DKK'000	Plant and machinery DKK'000	Leasehold improve-ments DKK'000
7. Property, plant and equipment			
Cost beginning of year	3.244	436.526	5.447
Additions	0	117.427	0
Disposals	0	(55.883)	0
Cost end of year	**3.244**	**498.070**	**5.447**
Depreciation and impairment losses beginning of the year	(1.628)	(307.333)	(4.552)
Depreciation for the year	(23)	(43.620)	(67)
Reversal regarding disposals	0	44.058	0
Depreciation and impairment losses end of the year	**(1.651)**	**(306.895)**	**(4.619)**
Carrying amount end of year	**1.593**	**191.175**	**828**

	Investments in associates DKK'000	Deposits DKK'000
8. Fixed asset investments		
Cost beginning of year	5.000	1.016
Disposals	0	(1.016)
Cost end of year	**5.000**	**0**
Carrying amount end of year	**5.000**	**0**

	Registered in	Equity interest %	Equity DKK'000	Profit/loss DKK'000
Investments in associates comprise:				
Fehmarnbelt Solution Services A/S	Greve	50,0	9.582	(337)

Notes

9. Prepayments

Prepayments consists of advances for goods, services and rent.

	2016 DKK'000	2015 DKK'000
10. Deferred tax		
Intangible assets	(7)	(4)
Property, plant and equipment	5.704	7.290
Inventories	1.381	0
Receivables	(1.531)	(2.088)
Provisions	(505)	0
Tax losses carried forward	(2.982)	(5.963)
	2.060	**(765)**

11. Other provisions

Provision consists of changes on Customer Centre work and closing, re-structuring the business.

12. Contingent liabilities

Rent- and leasing contracts

Minimum future lease payments for non-cancellable operating lease:

	2016 DKK'000	2015 DKK'000
Within 1 year	14.027	19.144
Between 1 and 5 years	39.638	51.520
After 5 years	1.893	6.479
	55.558	**77.143**

13. Mortgages and securities

To secure other own obligations letter of guarantees is given of DKK 7.446.642.

Notes

14. Related parties with controlling interest

Controlling interest

Ramirent PLC, Äyritie 16, FI-01510 Vantaa, Finland	Majority shareholder

Consolidated financial statements

The company is included in the consolidated annual report for the parent company Ramirent PLC.

The consolidated annual report for Ramirent PLC may be obtained from:

Ramirent PLC
Äyritie 16
FI-01510 Vantaa
Finland

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 (Middlesize).

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.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Revenue

When letting and selling equipment, revenue are recognized when the benefits and risks relating to the leased and sold goods have been passed to the buyer, the revenue can be measured reliably, and the economic benefits of the sale are likely to accrue to the company.

Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Accounting policies

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including rental income and gains from the sale of intangible assets and property, plant and equipment.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

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 and write-downs include depreciation and write-downs of intangible and tangible fixed assets for the year.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital 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.

Balance sheet

Goodwill

Goodwill is the positive difference between cost and value in use of assets and liabilities taken over as part of the acquisition. Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a

Accounting policies

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.

The amortisation periods used are 10 to 20 years, which is determined based on an assesment of the strategically importance of the acquistions for Ramirent A/S, including the long-term earnings profile.

Goodwill is 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.

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:

Land and Buildings	20-40 years
Plant and machinery	3-12 years
Leasehold improvements	5-10 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.

Investments in associates
Investments in associates are measured at cost and 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.

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.

Accounting policies

Prepayments

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

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

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.

Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Operating leases

All leases are considered operational 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.

Cash flow statement

Pursuant to section 86(4) of the Danish Financial Statement Act, and to the consolidated financial statement of Ramirent PLC, no cash flow statement has been prepared.