

Ramirent A/S

Hundigevej 85

2670 Greve

Central Business Registration No

26708664

Annual report 2018

The Annual General Meeting adopted the annual report on 29.05.2019

Chairman of the General Meeting

Andreas Nielsen

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Entity details

Entity

Ramirent A/S
Hundigevej 85
2670 Greve

Central Business Registration No: 26708664

Registered in: Greve

Financial year: 01.01.2018 - 31.12.2018

Board of Directors

Jesper Bramming

Frank Vestergaard Suhr Olesen

Dan Olesen Vorsholt

Executive Board

Dan Olesen Vorsholt

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 adopted the Annual Report of Ramirent A/S for the financial year 01.01.2018 - 31.12.2018.

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 financial position at 31.12.2018 of the Company and of the results of the Company operations for the financial year 01.01.2018 - 31.12.2018.

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

We recommend the Annual Report for adoption at the Annual General Meeting.

Greve, 29 May 2019

Executive Board

Dan Olesen Vorsholt

Board of Directors

Jesper Bramming

Frank Vestergaard Suhr Olesen

Dan Olesen Vorsholt

Independent auditor's report

To the Shareholder 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 2018, and of the results of the Company's operations for the financial year 1 January - 31 December 2018 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 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the 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.

Statement on Management's Review

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.

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.

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 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.

Copenhagen, 29 May 2019

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33 77 12 31

Jan Wright
State Authorised Public Accountant
mne10053

Thomas Lauritsen
State Authorised Public Accountant
mne34342

Management's Review

Main activity

Ramirent A/S is a large equipment suppliers and is nationwide with seven customer centers in Denmark, located in Greve, Hillerød, Kalundborg, Odense, Vejle, Risskov, and Fredericia.

Ramirent offers 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 sells solely in Denmark.

Development in activities and finances

The overall market conditions in the equipment rental market were good in 2018 leading to an unchanged revenue despite the disposal of the Temporary Space business mid-2018. The disposal yielded a 1 MDKK gain but lowered like for like revenue approximately 15 MDKK for the remaining part of 2018.

On average, Ramirent A/S employed 128 employees in 2018.

Revenue was stable at 307 MDKK versus 305 MDKK in 2017.

The operating profit increased from -1 MDKK in 2017 to 38 MDKK in 2018. 2017 was impacted by a restructuring charge of 19 MDKK. The 2017 restructuring helped lowering costs in 2018.

Special risks

No particular significant risks not generally associated with the equipment rental industry have been identified. Likewise, no particular significant environmental impact has been registered.

Events after the balance sheet date

Ramirent A/S was sold to G.S.V. Materieludlejning A/S, Hedehusene. The transaction closed on March 20 2019, and the companies are in process to merge operationally as well as legally. Ramirent is expected to contribute to the merged entity at the same level of revenue and profit as 2018.

Financial highlights

	2018	2017	2016	2015	2014
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Revenue	306 806	305 226	310 531	315 943	293 867
Gross profit/loss	158 798	122 562	134 938	116 302	97 000
Operating profit/loss	39 269	-678	12 862	1 651	-31 122
Net financials	-1 468	-247	-439	-835	-582
Profit/loss for the year	29 059	-799	9 531	311	-21 919
Total assets	283 976	311 506	264 515	226 398	243 281
Investments in property, plant and equipment	-65 198	-89 064	-132 174	-31 629	-32 562
Equity	219 935	190 876	191 675	182 144	181 833
Employees in average	128	141	146	149	154
Ratios					
Gross margin (%)	51,4	40,2	43,5	36,8	33
Return on equity (%)	14,1	-0,4	5,1	0,2	-11,4
Equity ratio (%)	77,4	61,3	72,5	80,5	74,7
Profit margin (%)	12,8	-0,2	4,1	0,5	-10,6
Return on assets (%)	13,8	-0,2	4,9	0,7	-12,8

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

Ratios	Calculation formula
Gross margin (%)	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$
Equity ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$
Profit margin (%)	$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$ $\frac{\text{Operating profit} \times 100}{\text{Total assets}}$

Income statement for 2018

	Notes	2018 DKK'000	2017 DKK'000
Revenue		306 806	305 226
Other operating income		1 029	638
Costs of raw materials and consumables		-104 073	-107 900
Operating expenses	1	-44 964	-75 402
Gross profit/loss		158 798	122 562
Staff costs	2	-75 540	-78 086
Depreciation, amortisation and impairment losses	3	-43 989	-45 154
Operating profit/loss		39 269	-678
Other financial expenses	4	-1 468	-247
Profit/loss before tax		37 801	-925
Tax on profit/loss for the year	5	-8 742	126
Profit/loss for the year	6	29 059	-799

Balance sheet at 31.12.2018

	<u>Notes</u>	2018 DKK'000	2017 DKK'000
Land and buildings		23	1 438
Plant and machinery		219 948	233 274
Leasehold improvements		612	381
Property, plant and equipment	7	220 583	235 093
Investments in associates		3 875	5 000
Fixed asset investments	8	3 875	5 000
Fixed assets		224 458	240 093
Manufactured goods and goods for resale		6 699	7 099
Inventories		6 699	7 099
Trade receivables		50 777	61 232
Receivables from group enterprises		335	1 525
Prepayments	9	1 707	1 557
Receivables		52 819	64 314
Current assets		59 518	71 413
Assets		283 976	311 506
Contributed capital		28 000	28 000
Retained earnings		46 935	162 876
Proposed dividend		145 000	0
Equity		219 935	190 876
Deferred tax / liability	10	10 676	1 934
Other provisions	11	0	19 400
Provisions		10 676	21 334
Trade payables		15 635	39 925
Payables to group enterprises		19 692	46 709
Other payables		18 038	12 662
Current liabilities other than provisions		53 365	99 296
Liabilities other than provisions		53 365	99 296
Equity and liabilities		283 976	311 506
Contingent liabilities	12		
Related parties with controlling interest	13		

Statement of changes in equity for 2018

	Contributed capital	Proposed dividend	Retained earnings	Total
	DKK'000	DKK'000	DKK'000	DKK'000
Equity beginning of year	28 000	0	162 876	190 876
Profit/loss for the year	0	145 000	-115 941	29 059
Equity end of year	28 000	145 000	46 935	219 935

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

1. Fees to the auditor appointed by the Annual General Meeting

The fee to the auditors is not disclosed in accordance with the Danish Financial Statement Act section 96 (3)

2. Staff costs	2018	2017
	DKK'000	DKK'000
Wages and salaries	-61 339	-61 047
Pension costs	-13 855	-16 551
Other staff costs	-346	-488
	-75 540	-78 086
Average number of employees	128	141

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

3. Depreciation, amortisation and impairment losses	2018	2017
	DKK'000	DKK'000
Amortisation of intangible assets	0	-252
Depreciation of property, plant and equipment	-43 989	-44 902
	-43 989	-45 154

4. Other financial expenses	2018	2017
	DKK'000	DKK'000
Financial expenses from group enterprises	-1 326	-114
Interest expenses	-133	-135
Exchange rate adjustments	-9	2
	-1 468	-247

Notes

5. Tax on profit/loss for the year

	2018	2017
	DKK'000	DKK'000
Tax current year taxable income	0	0
Change in deferred tax for the year	-8 742	133
Adjustment concerning previous years	0	-7
	-8 742	126

6. Proposed distribution of profit/loss

	2018	2017
	DKK'000	DKK'000
Retained earnings	-115 941	-799
Dividend proposal	145 000	0
	29 059	-799
Extraordinary dividend after year end	-3 875	0

7. Property, plant and equipment

	Land and buildings	Plant and machinery	Leasehold improvements
	DKK'000	DKK'000	DKK'000
Cost beginning of year	2 004	551 920	4 347
Additions	0	65 198	0
Disposals	-1 964	-132 090	-45
Cost end of year	40	485 028	4 302
Depreciation and impairment losses beginning of the year	-1 247	-318 666	-3 263
Depreciation for the year	-24	-43 080	-472
Reversal regarding disposals	1 254	96 666	45
Depreciation and impairment losses end of the year	-17	-265 080	-3 690
Carrying amount end of year	23	219 948	612

Notes

8. Fixed asset investments	Investments in associates DKK'000	Deposits DKK'000
Cost beginning of year	5 000	0
Cost end of year	3 875	0
Impairment losses beginning of year	0	0
Impairment losses for the year	-1 125	0
Impairment losses end of year	-1 125	0
Carrying amount end of year	3 875	0

	Equity interest Registered in	%	Equity DKK'000	Profit/loss DKK'000
Investments in associates comprise:				
Fehmarnbelt Solution Services A/S	Greve	50	7 749	-1 160

9. Prepayments

Prepayments consists of advances for goods, services and rent. 67 TDKK of the prepayments relates to deposits for leases due over 1 year.

10. Deferred tax	2018 DKK'000	2017 DKK'000
Provision for deferred tax at 1 January	1 934	2 060
Amounts recognised in the income statement for the year	8 742	-126
Provision for deferred tax at 31 December	10 676	1 934

Property, plant and equipment	13 088	9193
Inventories	0	1562
Receivables	0	-1857
Provisions	0	-4799
Tax losses carried forward	-2 412	-2165
	10 676	1 934

Notes

11. Other provisions

	2018	2017
	DKK'000	DKK'000
Within 1 year	0	8 876
Between 1 and 5 years	0	8 276
After 5 years	0	2 248
	<u>0</u>	<u>19 400</u>

Provision consists of changes on Customer Centre work and closing, restructuring the business.

12. Contingent liabilities

Rent- and leasing contracts

Minimum future lease payments for non-cancellable operating lease:

	2018	2017
	DKK'000	DKK'000
Within 1 year	10 221	10 233
Between 1 and 5 years	12 023	16 332
After 5 years	0	0
	<u>22 244</u>	<u>26 565</u>

13. Related parties with controlling interest

Controlling interest

G.S.V. Materieludlejning A/S, Baldersbuen 5, Balderbrønne, 2640 Hedehusene

Majority shareholder

With reference to section 98 C(7) section of the Danish Financial Statements Act, related parties transactions have not been disclosed in the Annual Report.

Consolidated financial statements

The company is included in the consolidated annual report for 2018 of the former 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.

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 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.

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.