

Rocla Rent A/S
Kobbervej 5
6000 Kolding
Business Registration No
26784395

**Annual report 01.04.2017
- 31.03.2018**

The Annual General Meeting adopted the annual report on 26.07.2018

Chairman of the General Meeting

Name: Johannes Hubertus Seijger

Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's report	3
Management commentary	6
Income statement for 2017/18	7
Balance sheet at 31.03.2018	8
Statement of changes in equity for 2017/18	10
Notes	11
Accounting policies	14

Entity details

Entity

Rocla Rent A/S
Kobbervej 5
6000 Kolding

Central Business Registration No (CVR): 26784395

Registered in: Kolding

Financial year: 01.04.2017 - 31.03.2018

Board of Directors

Johannes Hubertus Seijger, chairman
Yasumitsu Baba
Junichi Oi
Michael Karl Goeskjær

Executive Board

Stig Vilmun-Jaltved, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Egtved Allé 4
6000 Kolding

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Rocla Rent A/S for the financial year 01.04.2017 - 31.03.2018.

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 Entity's financial position at 31.03.2018 and of the results of its operations for the financial year 01.04.2017 - 31.03.2018.

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.

Kolding, 26.07.2018

Executive Board

Stig Vilmun-Jaltved
CEO

Board of Directors

Johannes Hubertus Seijger
chairman

Yasumitsu Baba

Junichi Oi

Michael Karl Goeskjær

Independent auditor's report

To the shareholders of Rocla Rent A/S

Opinion

We have audited the financial statements of Rocla Rent A/S for the financial year 01.04.2017 - 31.03.2018, 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 31.03.2018 and of the results of its operations for the financial year 01.04.2017 - 31.03.2018 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.

Kolding, 26.07.2018

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Suzette Demediuk Steen Nielsen
State Authorised Public Accountant
Identification No (MNE) mne32207

Management commentary

Primary activities

The Company carries on business within long- and short-term lease of forklifts and internal transportation equipment including service, purchase, sale and lease of used equipment. The Company offers both financial and operating lease contracts.

The Rocla Rent A/S activities are nationwide and together with Rocla Danmark A/S owned by the Finnish-based internal materials handling company Rocla Oy, which is part of the European division of Mitsubishi Caterpillar Forklift Europe B.V (MCFE), which is part of the Japanese group Mitsubishi Heavy Industries Ltd. (MHI).

Recognition and measurement uncertainties

Due to the competitive market situation for used equipment, there may be some uncertainty as to the valuation part of the inventory and fixed assets as well as the trucks which would be repurchased as part of the Company's repurchase obligation.

Development in activities and finances

The Company has for 2017/18 realised a profit of DKK 1.015 thousand against a loss of DKK 3.620 thousand in 2016/17. The equity at 31 March 2018 is negative by DKK 47.184 thousand. In the annual report for 2016/17, Management expressed expectations for a minor loss for the coming year, and the financial performance for 2017/18 is better than expected. Management considers the Company's financial performance in 2017/18 satisfactory.

The Company's future operations depend on the Company's ability to make a profit and that sufficient financing is secured for the coming year. The Company expects for 2018/19 a profit, and the group enterprise Mitsubishi Caterpillar Forklift Europe B.V. has provided binding commitment (Letter of support) to finance the Company's operations and provide the necessary investments in the coming year to the extent necessary for the Company to meet its current and future liabilities. On this basis, Management believes it is justifiable that the financial statements have been prepared on a going concern basis.

Outlook

A profit similar to the profit in 2017/18 is expected for 2018/19. The expected profit depends on market pricing of used equipment, inventory and of the Company's repurchase obligations.

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 2017/18

	<u>Notes</u>	<u>2017/18</u> <u>DKK</u>	<u>2016/17</u> <u>DKK</u>
Gross profit		8.393.488	7.494.089
Depreciation, amortisation and impairment losses	2	<u>(6.531.682)</u>	<u>(9.607.893)</u>
Operating profit/loss		1.861.806	(2.113.804)
Other financial income		29.213	345.901
Other financial expenses	3	<u>(875.718)</u>	<u>(1.852.180)</u>
Profit/loss for the year		<u>1.015.301</u>	<u>(3.620.083)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>1.015.301</u>	<u>(3.620.083)</u>
		<u>1.015.301</u>	<u>(3.620.083)</u>

Balance sheet at 31.03.2018

	<u>Notes</u>	<u>2017/18</u> <u>DKK</u>	<u>2016/17</u> <u>DKK</u>
Other fixtures and fittings, tools and equipment		18.801.688	21.708.060
Property, plant and equipment	4	18.801.688	21.708.060
Fixed assets		18.801.688	21.708.060
Manufactured goods and goods for resale		2.851.041	6.328.609
Inventories		2.851.041	6.328.609
Trade receivables		2.397.914	3.068.364
Other receivables		359.843	566.417
Prepayments		271.568	500.723
Receivables		3.029.325	4.135.504
Cash		686.179	4.870.178
Current assets		6.566.545	15.334.291
Assets		25.368.233	37.042.351

Balance sheet at 31.03.2018

	<u>Notes</u>	<u>2017/18</u> <u>DKK</u>	<u>2016/17</u> <u>DKK</u>
Contributed capital		500.000	500.000
Retained earnings		<u>(47.684.433)</u>	<u>(48.699.734)</u>
Equity		<u>(47.184.433)</u>	<u>(48.199.734)</u>
Other provisions	5	<u>2.304.703</u>	<u>2.983.343</u>
Provisions		<u>2.304.703</u>	<u>2.983.343</u>
Subordinate loan capital		13.544.444	13.229.444
Finance lease liabilities		<u>2.713.139</u>	<u>6.707.020</u>
Non-current liabilities other than provisions	6	<u>16.257.583</u>	<u>19.936.464</u>
Current portion of long-term liabilities other than provisions	6	2.972.442	5.572.145
Bank loans		0	1.356
Prepayments received from customers		194.013	209.237
Trade payables		463.756	646.259
Payables to group enterprises		50.264.169	55.509.767
Other payables		<u>96.000</u>	<u>383.514</u>
Current liabilities other than provisions		<u>53.990.380</u>	<u>62.322.278</u>
Liabilities other than provisions		<u>70.247.963</u>	<u>82.258.742</u>
Equity and liabilities		<u>25.368.233</u>	<u>37.042.351</u>
Staff costs	1		
Contingent liabilities	7		
Assets charged and collateral	8		
Related parties with controlling interest	9		
Group relations	10		

Statement of changes in equity for 2017/18

	Contributed capital DKK	Retained earnings DKK	Total DKK
	<u>DKK</u>	<u>DKK</u>	<u>DKK</u>
Equity beginning of year	500.000	(48.699.734)	(48.199.734)
Profit/loss for the year	<u>0</u>	<u>1.015.301</u>	<u>1.015.301</u>
Equity end of year	<u>500.000</u>	<u>(47.684.433)</u>	<u>(47.184.433)</u>

Notes

	<u>2017/18</u>	<u>2016/17</u>
1. Staff costs		
Average number of employees	<u>0</u>	<u>0</u>

The Company has no employees but hires assistance from the parent company, Rocla Danmark A/S. The hire is charged as other external charges.

	<u>2017/18</u>	<u>2016/17</u>
	<u>DKK</u>	<u>DKK</u>
2. Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	6.618.618	8.690.893
Impairment losses on property, plant and equipment	(86.936)	917.000
	<u>6.531.682</u>	<u>9.607.893</u>

	<u>2017/18</u>	<u>2016/17</u>
	<u>DKK</u>	<u>DKK</u>
3. Other financial expenses		
Financial expenses from group enterprises	315.000	315.000
Other interest expenses	517.319	1.503.556
Exchange rate adjustments	8.301	18.263
Other financial expenses	35.098	15.361
	<u>875.718</u>	<u>1.852.180</u>

Notes

	Other fixtures and fittings, tools and equipment DKK
4. Property, plant and equipment	
Cost beginning of year	48.043.060
Additions	9.475.863
Disposals	<u>(17.821.767)</u>
Cost end of year	<u>39.697.156</u>
Depreciation and impairment losses beginning of year	(26.335.000)
Reversal of impairment losses	86.936
Depreciation for the year	(6.618.618)
Reversal regarding disposals	<u>11.971.214</u>
Depreciation and impairment losses end of year	<u>(20.895.468)</u>
Carrying amount end of year	<u>18.801.688</u>
Recognised assets not owned by entity	<u>5.248.847</u>

5. Other provisions

The provisions are related to repurchase obligations.

	Due within 12 months 2017/18 DKK	Due within 12 months 2016/17 DKK	Due after more than 12 months 2017/18 DKK
6. Liabilities other than provisions			
Subordinate loan capital	0	0	13.544.444
Finance lease liabilities	<u>2.972.442</u>	<u>5.572.145</u>	<u>2.713.139</u>
	<u>2.972.442</u>	<u>5.572.145</u>	<u>16.257.583</u>

Subordinate loan capital comprises debt to Rocla Danmark A/S.

7. Contingent liabilities

Other contingent liabilities

The Company participates in a Danish joint taxation arrangement in which Rocla Danmark A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed

Notes

companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

Together with its parent company Rocla Danmark A/S, the Company has made repurchase obligations at 31 March 2018, the maximum obligation amounted to DKK 12,206. Repurchase values are expected to correspond to market values at the date of the repurchase.

8. Assets charged and collateral

As security for the Company's debt to leasing companies, DKK 5,686 thousand, the Company has provided security on its assets. The total carrying amount of these assets is DKK 5,249 thousand.

As security for the Company's debt to bank, DKK 0 thousand, the Company has provided security on its assets. The total carrying amount of these assets is DKK 18,803 thousand.

9. Related parties with controlling interest

Rocla Rent A/S' related parties comprise the following:

Rocla Danmark A/S, Kobbervvej 5, 6000 Kolding.

Rocla Oy, Jampankatu, P.O. Box 88, 04401 Jävenpää, Finland.

Mitsubishi Caterpillar Forklift Europe B.V., Hefbrugweg 77, 1332 Almere, Netherlands.

Mitsubishi Heavy Industries Ltd., 16-5 Konan 2-Chrome, Minato-ku, Tokyo 108-8215, Japan.

10. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Mitsubishi Caterpillar Forklift Europe B.V., Hefbrugweg 77, 1332 Almere, Netherlands.

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.

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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Accounting policies

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating lease, etc.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to equipments comprise depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of equipment.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, exchange gains on payables and transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, exchange losses on payables and transactions in foreign currencies.

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.

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	2-7 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.

Leases

Assets held under finance leases, on which substantially all the risks and rewards incident to ownership have been transferred to the company, are classified as own non-current assets. The assets are initially recognised at cost calculated at the lower of fair value and the present value of the future lease payments. In calculating the present value of the future lease payments the discount factor is the interest rate implicit in the lease or an approximation of this.

Accounting policies

The capitalised residual lease obligation is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

Gains and losses are made up as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as the other operating income or other operating costs.

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.

Cash

Cash comprises cash in hand and bank deposits.

Other provisions

Other provisions comprise anticipated costs of returns.

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.

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.

Accounting policies

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.