

Riwal Danmark A/S

P.L. Brandts Allé 1, 5220 Odense SØ

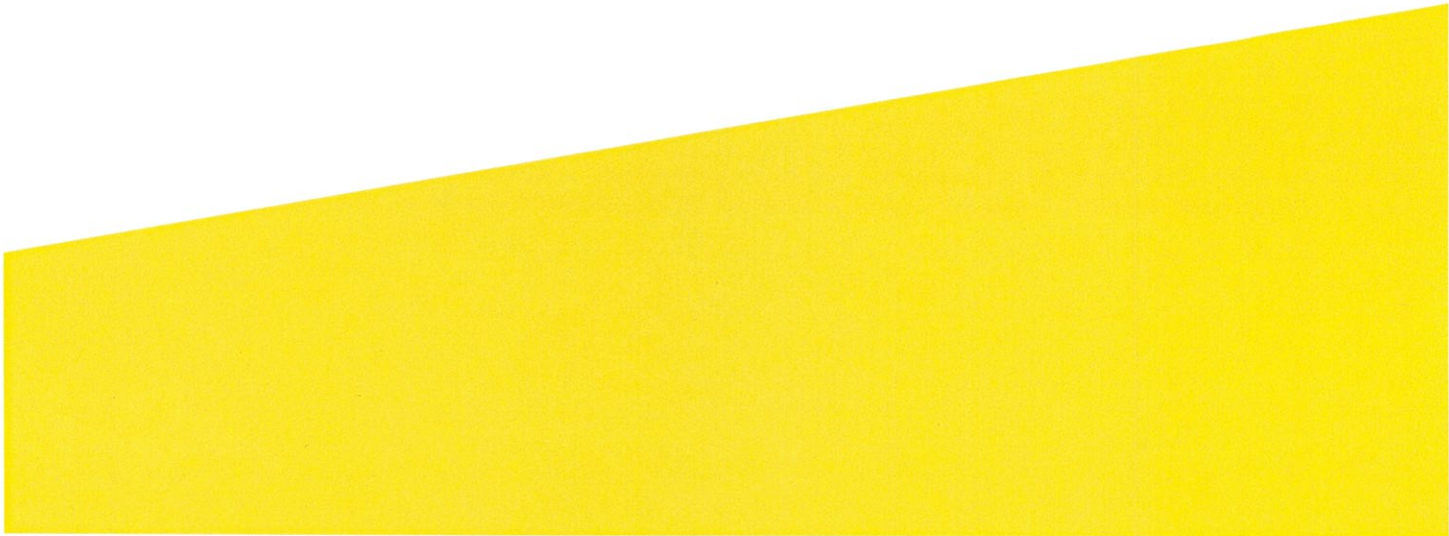
CVR no. 30 60 94 92

Annual report 2017

Approved at the Company's annual general meeting on 31 May 2018

Chairman:


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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Rival Danmark A/S for the financial year 1 January - 31 December 2017.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017.




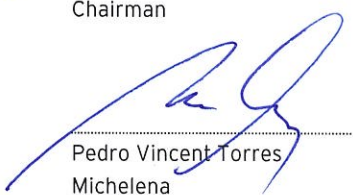


Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Odense, 31 May 2018
Executive Board:


Claus Juel Kromann

Board of Directors:

 Norton Turner Jr Chairman	 Elisabeth Rozetta Desiree Meijer	 Rene Timmers
 Pedro Vincent Torres Michelena	 Claus Juel Kromann	 Søren Rosenkrands



Independent auditor's report

To the shareholder of Riwal Danmark A/S

Opinion

We have audited the financial statements of Riwal Danmark A/S for the financial year 1 January - 31 December 2017, which comprise 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 financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 rules and requirements.

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 as to 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 the 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.

Independent auditor's report

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 note 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'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 assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility 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 our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

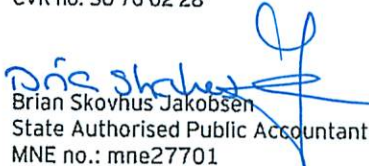
Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Odense, 31 May 2018

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Brian Skovhus Jakobsen
State Authorised Public Accountant
MNE no.: mne27701



Management's review

Company details

Name	Riwal Danmark A/S
Address, Postal code, City	P.L. Brandts Allé 1, 5220 Odense SØ
CVR no.	30 60 94 92
Established	6 June 2007
Registered office	Odense Kommune
Financial year	1 January - 31 December
Board of Directors	Norton Turner Jr, Chairman Elisabeth Rozetta Desiree Meijer Rene Timmers Pedro Vincent Torres Michelena Claus Juel Kromann Søren Rosenkrands
Executive Board	Claus Juel Kromann
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Englandsgade 25, P.O. Box 200, 5100 Odense C, Denmark



Management's review

Financial highlights

DKKt	2017	2016	2015	2014	2013
Key figures					
Gross margin	120,304	137,612	131,244	127,558	117,287
Operating profit/loss	36,496	46,318	44,785	29,301	21,109
Net financials	2,449	-171	-1,980	-4,664	-9,711
Profit/loss for the year	30,262	35,957	32,963	20,136	9,133
Balance sheet					
Total assets	240,562	223,937	185,422	208,047	271,353
Investment in property, plant and equipment	5,786	10,253	6,633	4,782	11,743
Equity	187,651	157,389	121,432	88,469	68,333
Financial ratios					
Return on assets	15.7%	22.6%	22.8%	12.2%	7.3%
Current ratio	530.0%	373.6%	212.8%	60.7%	61.8%
Solvency ratio	78.0%	70.3%	65.5%	42.5%	25.2%
Return on equity	17.5%	25.8%	31.4%	25.7%	14.3%
Other					
Average number of employees	117	114	108	103	100

Financial ratios are calculated in accordance with the Danish Finance Society's recommendations on the calculation of financial ratios. For terms and definitions, please see the accounting policies.

Management's review

Business review

Riwal Danmark A/S is Denmark's largest specialist in aerial working platforms. The Company was established in the spring of 2001 and is part of the Riwal Group, which has subsidiaries in 16 countries, and a lift fleet of more than 14,500 units. With headquarters in Odense and branch offices in Aarhus, Aalborg, Esbjerg, Glostrup and Copenhagen, Riwal Danmark A/S employs approximately 120 people. We also have a branch in Malmö, Sweden as well as a branch located just outside Oslo in Norway.

Our strategy is to provide the best customer experience through our committed employees and professional fleet. We will do everything we can to ensure that the customers' experience with equipment from Riwal will proceed as smoothly as possible so our customers' work runs efficiently and promptly.

Riwal's rental fleet has the largest and newest range of lifts and telehandlers in recognised brands and the average age is low. When requested, a nationwide network of mechanics will respond quickly and with our own trucks we ensure precise and correct delivery.

We offer our customers the highest degree of safety on every rental or every sale. Whenever and wherever we see an opportunity to improve safety and eliminate potentially unsafe behavior, we act proactively to create the safest possible environment for our staff and customers.

Riwal Danmark A/S is DRA certified, a quality scheme under Dansk Byggeri, which documents high safety and quality. By end of 2017 and early 2018 Riwal Danmark A/S was also certified to ISO 9001, ISO 14001 and the OHSAS 18001 standards.

Financial review

In 2017, Riwal Danmark A/S realised a profit for the year of DKK 30.3 million, which was DKK 5.7 million down on the profit realised in 2016. The lower results of operations was in line with our expectations as stated in our annual report from 2016 where profits from the sale of used equipment in 2017 is realised at a lower level than last year. Also the increase in employees and hence increase in staff costs impact the results of operations for the year negatively by DKK 2.1 million.

The decision to strengthen the organisation has been made based on the continued positive outlook for the construction sector in Denmark, which, also in 2017, demonstrated a high demand for the products and services offered by Riwal Danmark A/S.

The profit of DKK 30.3 million has been transferred to equity, which by 31 December 2017 amounted to DKK 187.7 million (2016: DKK 157.4 million) equivalent to a solvency ratio of 78% (2016: 70.3%)

Special risks

Riwal Danmark A/S' strategy is i.a. based on providing our customers with the highest degree of safety in connection with rental or sale. Moreover, in Riwal we are working with risks and safety within our impact on the external environment. We consider our largest external impact on the environment to be fuel consumption relating to our nationwide transportation of the rental fleet. Moreover, oil spill from repair and service of the fleet and from any breakdowns.

To manage the environmental circumstances, the ISO and DRA quality schemes are used.

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.

Outlook

Expectations for next year are positive. We expect a profit above the level of 2017 caused by the positive development in the construction sector, where we expect to be able to deliver more rental machines.



Financial statements 1 January - 31 December

Income statement

Note	DKK	2017	2016
	Gross margin	120,303,790	137,612,190
3	Staff costs	-65,137,003	-63,019,577
4	Amortisation/depreciation and impairment of property, plant and equipment	-18,670,398	-28,274,529
	Profit before net financials	36,496,389	46,318,084
5	Financial income	4,298,294	2,394,689
6	Financial expenses	-1,849,336	-2,565,771
	Profit before tax	38,945,347	46,147,002
7	Tax for the year	-8,682,896	-10,190,073
	Profit for the year	30,262,451	35,956,929



Financial statements 1 January - 31 December

Balance sheet

Note	DKK	<u>2017</u>	<u>2016</u>
	ASSETS		
	Fixed assets		
8	Property, plant and equipment		
	Plant and machinery	24,565,938	43,546,464
	Fixtures and fittings, other plant and equipment	16,729,609	18,786,898
		<u>41,295,547</u>	<u>62,333,362</u>
9	Investments		
	Other receivables	2,853,077	2,827,639
		<u>2,853,077</u>	<u>2,827,639</u>
	Total fixed assets	<u>44,148,624</u>	<u>65,161,001</u>
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	5,751,102	5,278,066
		<u>5,751,102</u>	<u>5,278,066</u>
	Receivables		
	Trade receivables	36,713,924	30,693,028
	Receivables from group enterprises	142,105,479	97,067,785
	Corporation tax receivable	3,411,403	3,008,679
	Other receivables	1,326,021	94,087
10	Prepayments	1,336,143	2,633,738
		<u>184,892,970</u>	<u>133,497,317</u>
	Cash	<u>5,768,764</u>	<u>20,000,574</u>
	Total non-fixed assets	<u>196,412,836</u>	<u>158,775,957</u>
	TOTAL ASSETS	<u>240,561,460</u>	<u>223,936,958</u>

Financial statements 1 January - 31 December
Balance sheet

Note	DKK	2017	2016
	EQUITY AND LIABILITIES		
	Equity		
11	Share capital	3,725,300	3,725,300
	Retained earnings	183,926,071	153,663,620
	Total equity	187,651,371	157,388,920
	Provisions		
12	Deferred tax	9,568,799	15,194,051
	Total provisions	9,568,799	15,194,051
	Liabilities other than provisions		
13	Non-current liabilities other than provisions		
	Lease liabilities	6,281,672	8,856,909
		6,281,672	8,856,909
	Current liabilities other than provisions		
13	Short-term part of long-term liabilities other than provisions	3,231,740	3,684,654
	Debt to credit institutions	0	910
	Trade payables	10,843,901	7,404,777
	Payables to group enterprises	8,822,945	19,195,857
	Other payables	13,619,147	12,210,880
	Deferred income	541,885	0
		37,059,618	42,497,078
	Total liabilities other than provisions	43,341,290	51,353,987
	TOTAL EQUITY AND LIABILITIES	240,561,460	223,936,958

- 1 Accounting policies
- 14 Contractual obligations and contingencies, etc.
- 15 Collateral
- 16 Related parties



Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK	Share capital	Retained earnings	Total
	Equity at 1 January 2016	3,725,300	117,706,691	121,431,991
17	Transfer, see "Appropriation of profit"	0	35,956,929	35,956,929
	Equity at 1 January 2017	3,725,300	153,663,620	157,388,920
17	Transfer, see "Appropriation of profit"	0	30,262,451	30,262,451
	Equity at 31 December 2017	3,725,300	183,926,071	187,651,371

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Riwal Danmark A/S for 2017 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are reflected in the consolidated cash flow statement for the higher-ranking parent company Riwal Holding Group B.V.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Leases

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for in the same way as the Company's other assets.

The capitalised residual lease liability 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.

Income statement

Revenue

Income from the sale of goods for resale and finished goods, is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2010.

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method).

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross margin

The items revenue, change in inventories of finished goods and work in progress, cost of sales, other operating income and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Other operating income

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

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Plant and machinery	3-9 years
Fixtures and fittings, other plant and equipment	3-9 years

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, declared dividends from other securities and investments, financial expenses relating to finance leases, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other subsidiaries. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.



Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated 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 other operating income or other operating expenses.

Investments

Investments consists of deposits on facilities

Impairment of fixed assets

The carrying amount of property and plant and equipment is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.



Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios.

The financial ratios stated under "Financial highlights" have been calculated as follows:

Return on assets	$\frac{\text{Profit/loss from operating activities} \times 100}{\text{Average assets}}$
Current ratio	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss for the year after tax} \times 100}{\text{Average equity}}$



Financial statements 1 January - 31 December

Notes to the financial statements

DKK	2017	2016
2 Other operating income		
Administration fee I/C	2,889,448	2,881,742
Gain on the sale of property, plant and equipment	8,548,493	18,187,878
	<u>11,437,941</u>	<u>21,069,620</u>
3 Staff costs		
Wages/salaries	57,275,478	54,759,873
Pensions	4,230,763	4,047,751
Other social security costs	980,437	972,120
Other staff costs	2,650,325	3,239,833
	<u>65,137,003</u>	<u>63,019,577</u>
Average number of full-time employees	<u>117</u>	<u>114</u>
By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.		
4 Amortisation/depreciation of intangible assets and property, plant and equipment		
Amortisation of intangible assets	0	93,209
Depreciation of property, plant and equipment	18,670,398	28,181,320
	<u>18,670,398</u>	<u>28,274,529</u>
5 Financial income		
Interest receivable, group entities	3,112,882	1,024,675
Other interest income	1,185,412	1,370,014
	<u>4,298,294</u>	<u>2,394,689</u>
6 Financial expenses		
Other interest expenses	1,849,336	2,565,771
	<u>1,849,336</u>	<u>2,565,771</u>
7 Tax for the year		
Estimated tax charge for the year	14,288,597	12,889,845
Deferred tax adjustments in the year	-5,625,252	-2,706,916
Tax adjustments, prior years	19,551	7,144
	<u>8,682,896</u>	<u>10,190,073</u>

Financial statements 1 January - 31 December

Notes to the financial statements

8 Property, plant and equipment

DKK	Plant and machinery	Fixtures and fittings, other plant and equipment	Total
Cost at 1 January 2017	207,900,254	49,060,161	256,960,415
Additions	1,026,172	4,759,352	5,785,524
Disposals	-44,456,696	-4,069,454	-48,526,150
Cost at 31 December 2017	<u>164,469,730</u>	<u>49,750,059</u>	<u>214,219,789</u>
Impairment losses and depreciation at 1 January 2017	164,353,790	30,273,263	194,627,053
Depreciation	12,589,269	6,081,129	18,670,398
Reversal of accumulated depreciation and impairment of assets disposed	-37,039,267	-3,333,942	-40,373,209
Impairment losses and depreciation at 31 December 2017	<u>139,903,792</u>	<u>33,020,450</u>	<u>172,924,242</u>
Carrying amount at 31 December 2017	<u>24,565,938</u>	<u>16,729,609</u>	<u>41,295,547</u>
Property, plant and equipment include finance leases with a carrying amount totalling	<u>0</u>	<u>10,452,698</u>	<u>10,452,698</u>

Note 15 provides more details on security for loans, etc. as regards property, plant and equipment.

9 Investments

DKK	Other receivables
Cost at 1 January 2017	2,827,639
Additions	25,438
Cost at 31 December 2017	<u>2,853,077</u>
Value adjustments at 1 January 2017	0
Value adjustments at 31 December 2017	0
Carrying amount at 31 December 2017	<u>2,853,077</u>

10 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, including rent, lease payments, sponsorships and other external expenses.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK	2017	2016
11 Share capital		
Analysis of the share capital:		
500,000 shares of DKK 7.45 nominal value each	3,725,300	3,725,300
	<u>3,725,300</u>	<u>3,725,300</u>

The Company was formed with a share capital of € 500 thousand allocated on shares of € 1 each.

The Company's share capital has remained DKK 3,725,300 in the past year.

DKK	2017	2016
12 Deferred tax		
Deferred tax at 1 January	15,194,051	17,900,967
Adjustment of the deferred tax charge for the year	-5,625,252	-2,706,916
Deferred tax at 31 December	<u>9,568,799</u>	<u>15,194,051</u>
Deferred tax relates to:		
Intangible assets	0	-58,589
Property, plant and equipment	11,661,750	18,011,784
Liabilities	-2,092,951	-2,759,144
	<u>9,568,799</u>	<u>15,194,051</u>

13 Non-current liabilities other than provisions

DKK	Total debt at 31/12 2017	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Lease liabilities	9,513,412	3,231,740	6,281,672	0
	<u>9,513,412</u>	<u>3,231,740</u>	<u>6,281,672</u>	<u>0</u>

14 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company is jointly taxed with its parent, Riwal Scandinavia Holding A/S, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year 2013 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 1 July 2012.

Other financial obligations

Rent and lease liabilities include rent liabilities vis-à-vis the parent company totalling t.DKK 48,800 with a remaining contract period of 12 months.

Rent and lease liabilities include a rent obligation totalling DKK 30,055 thousand in interminable rent agreements with remaining contract terms of 5 years and 5 months. Furthermore, the Company has liabilities under operating leases for cars and IT equipment, totalling DKK 2,370 thousand, with remaining contract terms of 4 years.



Financial statements 1 January - 31 December

Notes to the financial statements

15 Collateral

As security for debt to one lessor, receivables have been pledged consisting of deposited letter of indemnity totalling DKK 10,000 thousand.

The lease liability to the lessor amounted to DKK 0 at 31 December 2017

The total carrying amount of the pledged assets amounted to DKK 184,893 thousand at 31 December 2017.

16 Related parties

Riwal Danmark A/S' related parties comprise the following:

Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
Riwal Scandinavia Holding A/S	Odense	Participating interest

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
Riwal Holding Group B.V.	Dordrecht, Netherlands	Wilgen Bos 2, 3311 JX Dordrecht, Netherlands

Related party transactions

The Company solely discloses related party transactions that have not been carried out on an arm's length basis, cf. section 98c(7) of the Danish Financial Statements Act.

All transactions have been carried out on an arm's length basis.

DKK	<u>2017</u>	<u>2016</u>
17 Appropriation of profit		
Recommended appropriation of profit		
Retained earnings	<u>30,262,451</u>	<u>35,956,929</u>
	<u>30,262,451</u>	<u>35,956,929</u>